

NEWS, VIEWS and ISSUES

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CONFIDENTIAL

Governmental Affairs

NEW YORK TIMES
2 April 1973

C.I.A. Apparently Plans Cut in Some Covert Roles

By CLIFTON DANIEL
Special to The New York Times

WASHINGTON, April 1— Under its new director the Central Intelligence Agency is apparently planning to curtail some of its old activities, notably clandestine military operations, and undertake some new ones. These include action against political terrorism and the international drug traffic.

Since James R. Schlesinger took over as director on Feb. 2 more than 1,000 employees of the C.I.A. have received dismissal notices. Mr. Schlesinger also has authority from President Nixon to apply what one official calls "a great deal of persuasive influence" to reduce manpower as well in the military intelligence services. These are the Defense Intelligence Agency and the National Security Agency, which Mr. Schlesinger oversees but does not operate.

In the last two years the intelligence establishment as a whole has been reduced by something like 25 per cent, according to reliable estimates.

In 1971 there were more than 150,000 people in the military and diplomatic intelligence services and the C.I.A. There are now fewer than 125,000, according to the estimates—perhaps no more than 115,000. Since November, 1971, the various agencies have been under orders in a memorandum from the President to reduce duplication of facilities and functions and make more economical use of their resources, especially in collecting information.

Intelligence information these days is gathered more by machines than by men—by satellites and computers rather than by spies meeting informers in bars and alleys.

Each intelligence agency seems to want its own machines and some systems have reportedly been made deliberately incompatible so that each agency keeps its own.

For that reason and others it is said here that President Nixon's 1971 memorandum has as yet had no measurable effect on the operations of the intelligence community.

The man principally responsible for drafting the President's memorandum was Mr. Schlesinger, and he has now

been given the authority to put it into effect. He got the job because as assistant director of the Office of Management and Budget and later as chairman of the Atomic Energy Commission he earned a reputation for efficiency and effectiveness.

Apparently Mr. Schlesinger is expected to do in the intelligence community what other recent Presidential appointees have been instructed to do in more open departments—that is, to make the Federal bureaucracy more responsive to the Administration.

This objective has led to charges from some old hands at the C.I.A. that the agency is being "politicized" by the Nixon Administration. Mr. Schlesinger met this charge, when his C.I.A. appointment was up for confirmation in the Senate, by assuring the Senate Armed Services Committee that he believed absolutely in maintaining the integrity and independence of intelligence estimates.

People who know President Nixon's attitude say he wants his intelligence information straight even when it is unpalatable. However, the White House does want to see less money spent on intelligence, and a better intelligence product provided.

By a better product the White House apparently means among other things a product that answers the questions that senior policy makers are interested in and gives the answers in brief and readable form.

"You can't drop a 90-page C.I.A. analysis on a high official's desk and say 'You've got to read this,'" one such official said recently.

That Discouraging Thud

"The thud it makes when it falls on your desk is enough to discourage you from opening it," another said.

Apparently C.I.A. memorandums under the Schlesinger regime will number more like three pages than 90 and will have a telephone number to call if the recipient wants further information.

While seeking greater economy and efficiency the intelligence community is reassessing its tasks.

There appears to be a tendency to cut back on C.I.A. paramilitary operations—operations such as the abortive Bay of Pigs invasion of Cuba in 1961 and the clandestine war still being waged in Laos, operations that have sometimes brought the agency as much censure as praise.

In his second Inaugural Address, President Nixon said, "The time has passed when we will make every other

nation's conflict our own, or make every other nation's future our responsibility, or presume to tell the people of other nations how to manage their own affairs."

That statement seemed to imply less intervention in other people's affairs, whether by intelligence agencies or otherwise.

In any event, operations such as the one in Laos, where the C.I.A. has long given support and leadership to the anti-Communist military forces, are on such a scale that they cannot be conducted secretly, and thus may not be thought suitable for an undercover agency.

'Dirty Tricks' Wane

Operations on a smaller scale—sometimes called "dirty tricks"—reflect the atmosphere of the nineteen-fifties, the cold war period, and seem to be regarded now as obsolescent.

Also with the reduction of international tensions and suspicions, which is the aim of President Nixon's dealings with the Soviet Union and China, the intelligence community may not need to pay so much attention to the military abilities of the major powers.

However, there may be new tasks for the intelligence community in an era of negotiation.

For example, the protocol to the Soviet-American agreement

on the limitation of strategic offensive weapons provides in Article 12 that "for the purpose of providing assurance of compliance with provisions of this treaty, each party shall use national technical means of verification."

In plain language, that means that the Soviet Union and the United States may each use its own photographic satellites and other intelligence-collecting devices to see whether the other side is abiding by the treaty. This is the "open skies" policy proposed by President Dwight D. Eisenhower at the Geneva summit conference in 1955 and rejected at that time by the Russians.

There are also other new problems to attract the interest of the intelligence agencies. One is the narcotics traffic. Intelligence is a major ingredient in controlling it.

Another is political terrorism, a form of warfare that cannot be dealt with by ordinary diplomatic means or conventional military forces.

The interest of the C.I.A. in these problems does not mean that the agency will no longer have an arm that can perform paramilitary functions. It also does not mean that the C.I.A.—to use a term heard here—will not "invest" funds in the affairs of third countries on occasion.

WASHINGTON STAR
28 March 1973

\$400,000 CIA Fund to Influence Chile Election Reported

By JEREMIAH O'LEARY
Star-News Staff Writer

The existence of a hitherto secret CIA propaganda fund of \$400,000 for use in the Chilean presidential election of 1970 has been brought to light by the Senate multinational corporations subcommittee investigating the role of ITT and the U.S. government in Chile's internal affairs.

It has been learned authoritatively that the fund was provided by the CIA for the period prior to the popular election on Sept. 4, 1970, when Marxist candidate Salvador Allende won a hairs-breadth plurality in a three-man race. But informed sources believe, and former Ambassador Edward Korry testified yesterday, that all agencies of the U.S. government adopted a hands-off policy in the Oct. 24 runoff, which Allende won in the Chilean Congress.

Jerome Levinson, chief counsel for the subcommittee headed by Sen. Frank Church, D-Idaho, injected the \$400,000 propaganda fund into the hearings with a direct question to Korry, asking the ex-envoy if there was such a covert fund in the pre-election period. Korry said that was a question the CIA would have to answer.

But Korry also testified that everybody in Chile knew the U.S. government wanted to see Allende defeated and that only a lunatic would have supposed otherwise. He said he personally favored the so-called Alessandri formula by which the Christian Democrats and Conservatives in Congress would combine to elect Jorge Alessandri instead of Allende. The formula, which never was applied, then called for Alessandri to resign so that outgoing President Eduardo Frei could win in a new national election.

Allende had won a plurality — but not a majority — in the popular election of Sept. 4, 1970. This put the election in the hands of the Chilean Congress, which selected him on Oct. 24, 1970.

Committee members and aides refused to divulge more about the \$400,000 fund, but Korry's testimony left no doubt that it could have been used only to finance propaganda to help defeat Allende. It could not be learned whether the fund is mentioned in the impounded testimony given yesterday in executive session by William V. Broe, who was in charge of CIA clandestine operations in Latin America at the time of the election.

The subcommittee was to release the Broe testimony today after screening by CIA officials. It was the first time in history that a CIA agent has ever testified under oath before a congressional committee.

The subcommittee also released yesterday an internal ITT document describing a secret meeting Oct. 21, 1971, in the office of Secretary of State William P. Rogers with representatives of a number of American corporations threatened with expropriation in Chile. The memorandum says:

"Secretary Rogers opened the meeting by saying that he and the President had grave concern over the Chilean situation and the expropriations that were taking place. He stated there appeared to be little leverage that the government could use against Chile but that they would take all actions open to them.

"He discussed his meetings with Foreign Minister Almada (Clodomiro Almeyda) during the opening of the UN. He stated he had never been more

rude to any other diplomat. Rogers said he attempted to press Almada (Almeyda) to stop the copper expropriations and filing of excess profits and taxes."

Earlier, Korry declined to tell the subcommittee, either in open or executive session, what instructions he received from the State Department during the critical election period in Chile. Korry told Church he was not invoking executive privilege, although he understood there was legal justification for doing so.

"This is moral principle with me," Korry said.

"Do you contend that this committee has no jurisdiction?" Levinson asked.

"No, but I fall back on my moral commitment. I cannot wreck an institutional process for any reason I can think of here. It's a philosophical thing on my part," Korry said. "I took an oath when I became ambassador. I'm not about to break my part of that bargain."

Korry said that if he set a precedent by telling the committee about his instructions from the State Department it might lead to a return of conditions like the McCarthy era with diplomats being afraid to commit anything to paper.

But Korry did categorically deny to the subcommittee that he ever got any "green light" to go ahead with any action short of a Dominican-style intervention, as was reported in a message from ITT publicist Hal Hendrix to his superiors.

It is obvious from the history of Chile since the Allende election, Korry said, that the United States mounted no "big push" and supported none of the three candidates.

"All three camps approached me for funds, but the U.S. never responded," Korry testified. But when Levinson asked him about the CIA propaganda fund, Korry refused to answer any questions about the CIA except to say that the agency was under his control in Chile. The subcommittee did not pursue the former ambassador about the seeming discrepancy when he cut off all questions about the CIA.

Korry declared that he personally favored the Alessandri formula for blocking Allende's election "but I did nothing about it." However, he said he did tell U.S. businessmen in Chile that he favored the plan, explaining, "There is a difference between analysis and action."

Asked about an ITT document which declared the Chilean armed forces had been assured of U.S. support in any violence or civil war, Korry said he never made any such promise even though he was asked for such assurances. Korry said he told his embassy people to stay away from the Chilean military in the critical election period.

Korry testified that he never heard of any ITT offer of money to support any U.S. plan to block Allende or cause economic chaos there.

THE LIBRARY JOURNAL

15 March 1973

PROUTY, Fletcher. *The Secret Team: the CIA and Its Allies in Control of the United States and the World* 516p. Prentice-Hall. Apr. 1973. \$10.10. LC 72-13361.

This book is at its best when it details CIA secret operations, with which the author is familiar. The poorer, and most extensive, portions are those in which he laboriously, and with annoying repetition, explains why he feels the CIA has greatly exceeded its legal authority by conducting secret operations. He also faults the lack of quality intelligence analysis. Prouty claims that friends of this agency have been planted in other federal agencies and the military to ensure that CIA gets its way. He maintains that Presidents have been led into major

blunders by this practice and cites especially the Kennedy move to counter-insurgency warfare in Southeast Asia. The military bias of the former Air Force colonel shows as he attacks the civilian agency, claiming that Ellsberg's leaking of the Pentagon Papers was a CIA plot to make the military look bad. A spotty, but interesting book. — George H. Siehl, Library of Congress

This is an uncorrected proof of a review scheduled for Library Journal, Mar. 15, 1973

WASHINGTON POST
29 March 1973

CIA Aide Disputes ITT on Fund Offer

By Laurence Stern
Washington Post Staff Writer

A high-ranking Central Intelligence Agency official has told Senate investigators that he was offered—and declined—a “substantial fund” by ITT board chairman Harold S. Gencen to block the election of Chilean President Salvador Allende in 1970.

In sworn testimony released yesterday, William V. Broe, former CIA chief of clandestine operations in the Western Hemisphere, also acknowledged that he discussed steps with ITT officials to accelerate economic instability in Chile at a crucial political period for Allende.

Broe's testimony, given to an investigating subcommittee Tuesday under an unprecedented arrangement, contradicted earlier assertions under oath by an ITT vice president that Gencen had made the money offer to finance housing and technical agricultural assistance in Chile.

Gencen is due to testify on his financial offer to Broe on Monday. Until then, Sen. Frank Church (D-Idaho) said yesterday, the investigators would not “pass judgment” on the possibility of perjury action in the ITT investigation.

Church is chairman of the Senate Foreign Relations Subcommittee on Multinational Corporations, which is conducting the inquiry. The panel questioned Broe in closed session Tuesday morning and submitted the transcript to the CIA for review. Church said it was unprecedented for an operating agent of the agency to give sworn testimony to a congressional investigating committee.

Broe testified that he went to the meeting with Gencen at the Sheraton Carlton Hotel on the night of July 16, 1970, under instructions from then CIA director Richard M. Helms, who was recently replaced by President Nixon and appointed Ambassador to Iran.

At the meeting, Broe testified, Gencen offered the substantial fund—which would be controlled and channeled by the CIA—to support the candidacy of Jorge Alessandri, of the right-wing National Party, against Allende.

In declining the offer, Broe said, he told Gencen “we could not absorb the funds and serve as a funding channel. I also told him that the United States Government was not

supporting any candidate in the Chilean election.”

The CIA official asserted that Gencen at no time suggested that the money would be contributed for housing or agricultural assistance. ITT's vice president for corporate relations, Edward Gerrity, testified last week that Gencen intended the money to be used for such purposes and not to influence the course of the election.

Under questioning by Foreign Relations Committee Chairman J. W. Fulbright (D-Ark.), Broe said ITT, not the CIA, took the initiative in attempting to intervene in the Chilean election for its “own corporate purposes.”

It was not American policy, Broe said, to influence the Chilean elections in 1970.

The CIA witness said Gencen told him that ITT and other American companies raised a political fund to influence the outcome of the 1964 Chilean election, when Christian Democrat Eduardo Frei came to power, but that John McCone, then the director, did not accept the money.

Broe's testimony indicated that the agency took a more cooperative attitude with ITT in subsequent meetings, following Allende's narrow popular plurality on Sept. 4, 1970, but before he was installed by a vote of the Chilean Congress the following month.

Again at the direction of Helms, Broe said, he met with Gerrity on Sept. 29 to explore with the ITT executive “how the deteriorating economic situation (in Chile) could be accelerated.”

Broe confirmed that he discussed with Gerrity such measures as curtailing bank credits and deliveries of spare parts, creating pressure on savings and loan institutions to close their doors, and withdrawing technical assistance.

The CIA's endorsement of this economic pressure, said Broe, was designed to discourage Christian Democratic congressmen from supporting Allende, a Marxist-Socialist, in the crucial congressional balloting on the presidency.

“There was a thesis,” said Broe, “that additional deterioration in the economic situation could influence a large number of Christian Democratic Congressmen who were planning to vote for Allende.”

He told the subcommittee that ITT executives were negative toward the plan because they felt it was unworkable.

The maneuver, described in Chile as the “Alessandri Formula,” was looked upon favorably by then U.S. Ambassador Edward Rorery and ITT, as well as by Allende's Chilean opposition, as a means of restoring Frei to the presidency by setting the stage for a new election.

It never came to pass.

Church said yesterday he thought it was “very improper” for any American corporation to offer a large sum of money to support a CIA intervention in an election. He said it was also “improper policy” for the U.S. government to enlist private corporations in the same objective.

In a meeting with newsmen, the Idaho Democrat said he could not clarify the apparent contradiction between Broe's declaration to Gencen that the CIA was not supporting a candidate in the election and Broe's subsequent endorsement of economic pressures designed to prevent Allende from taking office. Broe's testimony, he said, “would have to speak for itself.”

Sen. Clifford P. Case (R-N.J.) also observed that “the record to me is not clear.”

One possibility under consideration is that the policy of the U.S. government underwent change between Broe's first contact with Gencen and his subsequent meeting with Gerrity.

McCone testified last week that Helms had told him in the early summer of 1970 that a National Security Council interdepartmental group governing CIA covert operations had decided to take no action to thwart Allende's accession to power.

In early September, however, McCone, an ITT board member and CIA consultant, approached national security adviser Henry Kissinger and Helms to convey Gencen's offer of aid to finance a U.S. government plan to block Allende.

On Sept. 16 Kissinger delivered a not-for-attribution press background in Chicago in which he said, “I don't think we should delude ourselves that an Allende takeover in Chile would not present massive problems for the United States and democratic forces and pro-U.S. forces in Latin America and indeed to the whole Western Hemisphere.”

So we are taking a close look at the situation. It is not one in which our capacity for influence is very great at this particular moment.”

An intensive lobbying program was conducted during mid-September by ITT officials with top administration officials for some form of intervention in Chile. Gencen's offer of financial aid for a CIA operation was rejected.

But on Sept. 29 Broe, acting with the full consent of his su-

periors, endorsed an economic program to frustrate Allende's candidacy in the Chilean Congress.

Broe testified that he also met with ITT's former Washington office director William Merriam on Sept. 22, a week prior to the Gerrity meeting, and gave his assent to ITT proposals for covert support to anti-Allende newspapers as well as the hiring of radio and television “propagandists” favoring other candidates.

“Mr. Merriam, without any discussion of those (proposals), said, ‘What do you think of the proposals’, and I said I think they are all right,” Broe testified. “Then there was no discussion.”

The anti-Allende press and television campaign was proposed by two ITT field operatives, Hal Hendrix and Robert Berrellez from Santiago. ITT officials testified that they never put the plan into operation.

The purpose of Church's inquiry is to determine whether ITT brought improper influence in Chile to affect the outcome of the 1970 election and the extent to which it had the active cooperation of the CIA, ITT and a number of other companies contended that their fears of an Allende administration were prompted by campaign pledges of the Socialist candidate to nationalize basic industries, such as ITT's telephone subsidiary as well as American owned copper and bank holdings.

Allende's government contended that it was negotiating in good faith to compensate ITT for the telephone company until March 21, 1972, when columnist Jack Anderson published internal ITT documents suggesting that the corporation had actively engaged in plans to block the election of Allende.

On the day the Anderson papers were published, the Chilean Ambassador to the United States, Orlando Letelier, had just returned from Santiago with a counter-offer to ITT, according to Chilean government sources. After publication of the documents, Chile broke off its contacts with ITT.

At yesterday's hearing the Assistant Treasury Secretary for International Affairs, John M. Hennessy, said the Nixon administration cautioned international lending organizations against extending new lines of credit to an Allende government because of its shaky financial condition.

He acknowledged, however, that the administration had authorized a \$10 million loan to the Chilean military last year.

“That seems to me from an economic point of view entirely inconsistent,” observed Case.

Replied Hennessy: “I would have to admit there is some inconsistency.”

NEW YORK TIMES
30 March 1973

C.I.A.'s Action On Chile Unauthorized, Ex-Aide Says

By EILEEN SHANAHAN

Special to The New York Times

WASHINGTON, March 29—Charles A. Meyer, former Assistant Secretary of State for Inter-American affairs, said today that, so far as he knew, the Central Intelligence Agency was never specifically authorized to explore the possibility of using private American corporations to damage the economy of Chile to influence the 1970 election there.

But Mr. Meyer, now a Sears Roebuck executive, refused to criticize the C.I.A. for discussing this line of action with International Telephone and Telegraph Corporation officials, saying that such "exploration" did not necessarily violate the basic United States policy of noninterference in the Chilean election.

Strong doubts about the propriety of the C.I.A.'s action were expressed by Senator J. W. Fulbright, chairman of the Senate Foreign Relations Committee, and Senator Frank Church, Mr. Church, Democrat of Idaho, heads the subcommittee on multinational corporations that is investigating the activities of I.T.T. in Chile.

Senator Fulbright, Democrat of Arkansas, said that it looked to him as though the C.I.A. was "responding to a request by a former director of the C.I.A." rather than to governmental policy and was "going off in another direction."

Earlier testimony had disclosed that John A. McCone, former C.I.A. chief who became a director of I.T.T., went to Richard Helms, his successor at the intelligence agency, to

suggest that the Government take steps to prevent the election of Dr. Salvador Allende Gossens as President of Chile. Dr. Allende, a Marxist, had campaigned on a platform of nationalization of basic industries in Chile, including the telephone company of which I.T.T. was the principal owner. Senator Church asked Mr. Meyer whether the top-level governmental agency that is supposed to approve the intelligence agency's operations in advance—it is known as The 40 Committee—had ever "decided as a matter of policy that the C.I.A. should explore the feasibility of stirring up economic trouble" in Chile.

"To my certain recollection, no," Mr. Meyer replied.

But he and subcommittee members engaged in a long and inconclusive wrangle over whether the discussions between an I.T.T. officer and a C.I.A. official constituted "policy" or "action" that required such advance approval.

The discussions were held by William V. Broe, former director of clandestine activities in Latin America for the agency, and Edward J. Gerrity, the company's senior vice president for corporate relations and advertising. They saw each other in New York in late September, 1970, after Dr. Allende had won a plurality but not a majority of the popular vote. The Chilean Congress had yet to make the final choice of a President; it chose Dr. Allende on Oct. 24.

What Mr. Broe discussed with Mr. Gerrity was the possibility that American banks might cut off credit to Chilean lenders and other American

businesses slow deliveries as a means of creating enough economic problems in Chile that members of the Congress would have second thoughts about electing Dr. Allende. A cutoff of technical help was also discussed.

Mr. Broe testified that he had given Mr. Gerrity a list of American companies doing business in Chile that might be helpful in creating economic problems, but said he had given no instructions that I.T.T. get in touch with them.

Mr. Gerrity and, later on, the company's board chairman, Harold S. Geneen, rejected the whole idea because they thought it would not work.

Mr. Meyer conceded under questioning that if the plan had been adopted it would have constituted a change in the policy of noninterference that would have required approval at a higher level than that of directors of the C.I.A. The director, Mr. Helms, had instructed Mr. Broe to explore the plan with Mr. Gerrity.

Senator Church said, however, that he was "afraid that I.T.T. did successfully lobby the C.I.A. on behalf of a covert operation, without policy approval."

"That's how this committee's record stands," he added.

Mr. Meyer also testified that no one from the company had

ever spelled out to him the purpose for which it offered the Government up to \$1-million for use in Chile. Mr. Gerrity had testified that the money was for "constructive" purposes, such as subsidies for low-cost housing, and said this had been made known to Mr. Meyer.

Other witnesses and some internal company memoranda indicated that the money was for financing an anti-Allende coalition in the Chilean Congress.

Senator Church, after hearing Mr. Meyer's statement about the \$1-million offer, said that it was "obvious that somebody is lying and we must take a very serious view of perjury under oath." He said the transcript of the hearings would be turned over to the Justice Department for review and possible filing of perjury charges.

In another highlight of the day's proceedings, Felix Rohatyn, an I.T.T. board member, disclosed that the board had not been informed of the \$1-million offer. He said that in a company of that size—it is the sixth largest American corporation, with assets in the billions—decisions involving \$1-million were often made without the knowledge of the board.

WASHINGTON STAR
29 March 1973

WILLIAM F. BUCKLEY JR.

Chile Had No Right to Steal ITT Property

It is by no means obvious why everyone persists in referring to the election of Allende as a purely "internal" matter. It was never any such thing, and if only Harold Geneen of ITT recognized the character of the Allende victory, why then Harold Geneen is a lot smarter than most of the senators who are interrogating officials from ITT and drinking deep draughts of sanctimony over ITT's offer to contribute \$1 million towards any government-sponsored plan to prevent the installation of Allende as president of Chile.

We are talking about September of 1970. On Sept. 4 Allende won a plurality, which did not automatically entitle him to be named president of Chile. That decision was for the parliament to make, at a scheduled session on Oct. 24. The question is whether ITT had a legitimate interest in adding its pressure to that of others to persuade the parlia-

ment to name someone other than Allende or, better still, to call for a new election.

How can the Chilean outcome be said to have been purely an internal matter? The officers of ITT, having carefully observed the campaign of Salvador Allende and the promises he made, concluded that he would certainly proceed to nationalize the Chilean telephone company. By everyone's reckoning the value of ITT's holdings was \$153 million.

The ITT people were smart enough to anticipate that when Allende got around to nationalizing the telephone company he would offer for it a small fraction of its acknowledged value. That he would, in effect, confiscate the property. In due course, Allende offered \$24 million for the \$153 million asset, proving the ITT officials to have been altogether accurate in their forebodings.

We return to the question: In what sense is it an "internal" matter if A decides to steal the property of B? The fact that A is a country and B is merely a corporation says only that B is going to suffer considerable disadvantages in attempting to cope with A. It hardly says that B ought not attempt to cope with A. ITT did not, as it happens, mount its own operation in Chile, attempting to persuade the parliament not to vote for Allende. It merely offered to contribute to any U.S. enterprise aimed at the same purpose.

To suggest that foreign governments are not involved or should not be involved in wrestling for the favor of the majority in swing countries which are points of contact in the cold war is simply to beg the question: How is it that the Soviet Union and Castro's Cuba were so interested in the election of Allende as to spend millions of dollars and commit entire communications indus-

tries to the end of electing him?

What President Allende finally did to ITT was, very simply, to take over the operation of the telephone company without any compensation whatsoever. Those who are anxious to make any point at the expense of American business who say that ITT got what was coming to it in the light of its proffered intervention make a rather clumsy mistake. It was not until the spring of 1972 that Jack Anderson published the secret memoranda revealing ITT's offer of \$1 million to stop Allende. But it was in September 1971 that Allende simply took over the Chilean telephone company, more or less without comment: a clean theft of \$153 million. I do not believe that anyone who is a shareholder of ITT believes that that act by Dr. Allende is a purely internal affair. There is no internal right of any country to steal the goods of other people.

WASHINGTON POST
1 April 1973

ITT Hearings Derail U.S.-Chile Talks

By Lewis H. Dluguid

Washington Post Foreign Service

SANTIAGO, March 31—Chile's President Salvador Allende is now convinced that the U.S. government conspired, along with ITT, to prevent his election in 1970, advisers close to the president say.

As a result of testimony at recent hearings in Washington Allende reached this conclusion and broke off important talks between Chile and the United States, sources here said. No date was set for the resumption of the talks, which concerned the major outstanding problems between the two countries. The hearings on ITT's activities in Chile were held by a special Senate subcommittee investigating the activities of multinational corporations.

Until now, the sources here say, Allende had interpreted the International Telephone and Telegraph documents that columnist Jack Anderson revealed last year as implicating only the company, even though they referred to meetings between ITT executives and the Central Intelligence Agency's top agent in Latin America.

The documents and last week's hearings indicated that ITT worked actively to prevent the Chilean Congress from confirming the election of Allende, a Marxist, who had failed to win the popular-vote absolute majority needed for outright election. During his campaign Allende had pledged to nationalize major foreign holdings in Chile.

U.N. Speech

In a speech to the U.N. General Assembly in December Allende bitterly denounced ITT as plotting against Chile, but he avoided implicating the U.S. government in any such activity.

One item from the hearings that is said to have helped to convince Allende of U.S. involvement was a report, not confirmed in the hearings, that the National Security Council had allocated \$400,000 for covert propaganda action against Allende during the 1970 presidential campaign.

The report, in a Washington-dated dispatch from the correspondent of the Communist Party newspaper El Siglo, was apparently based on a question asked by subcommittee counsel Jerome Levinson during the testimony of Edward Korry, who was U.S. ambassador to Chile in 1970.

Levinson asked Korry if the NSC had approved the \$400,000 fund, but Korry said he could not answer any questions concerning "the activities of the CIA."

Bilateral Talks

The U.S.-Chile talks in Washington that were broken off were mainly concerned with debt renegotiation and Chile's refusal to compensate American copper companies and ITT for nationalized properties.

The talks, which began in a good atmosphere in December, resumed March 22 just as CIA and ITT officials were testifying. The next day they were suspended anew. Members of the Chilean negotiating team said that the hearings were the main cause.

Chile's ambassador to the United States, Orlando Letelier, who heads the negotiating team, returned to Santiago this week to inform Allende on the talks and the hearings.

Letelier is to go back to Washington next week with Foreign Minister Clodomiro Almeyda, who is scheduled to address a meeting of the Organization of American States. Almeyda is expected to spell out Chilean efforts to reach an agreement with the United States on the copper issue, and to accuse the Americans of failing to respond.

Such a speech would break the understanding that led to the talks, since it was agreed that their content should not be revealed unilaterally. In effect, the Chilean negotiators divulged their position in conversations yesterday.

They said that Chile has offered to submit the question of compensation for the copper companies to an international panel, under provisions of a 1914 treaty with the United States.

The huge copper mines of Kennecott and Anaconda were nationalized in 1971 under a constitutional amendment approved unanimously by the Chilean Congress. Nationalism had reached such a level here that even the right-wing party supported the move.

Under the amendment, Allende was authorized to calculate the amount of "excess profits" the companies had taken out of the country and deduct this from their compensation. His calculations of excess profits far exceeded the book value of the mines, and the companies therefore received no payment.

Chile's position in its negoti-

ations with the United States was that another constitutional amendment would be required for the copper companies to receive payment.

If Allende were to ask for such a payment, the domestic political results would be devastating. But the Chileans argued that if an international panel were to rule in favor of the companies, some payment would be politically feasible.

[The magazine Chile Today, whose principal columnist was a member of the Chilean delegation to the talks, published an article today saying that the talks "ended in a total impasse," UPI reported. The article said that the United States "adopted from the very beginning a hostile, obstinate attitude which became threatening at the end."

[State Department sources in Washington said that the United States had not rejected the idea of using the 1914 treaty or any other mechanism that might lead to "a mutually acceptable solution" of the problems between the two countries.

But they added that the United States was not interested in any "cosmetic, time-consuming and nonproductive devices," and expressed hope that a solution could be found "sooner rather than later."

[The sources said the United States did not consider the bilateral talks at an end and was willing to resume them at any time.

[The sources said the Senate hearings did not establish any wrongdoing on the part of the U.S. government, and should not stand in the way of finding a solution "that would fully respect the legitimate interest of all parties."

—ITT Takeover

In the meantime, the Chilean government is preparing calculations for the nationalization of ITT's majority share in the \$150 million telephone company here.

A constitutional amendment to allow such nationalization is now going through the lengthy legislative process. To date it has also been receiving unanimous support.

The U.S. position, apparently, is that Allende should begin now to seek authorization, for payment of the copper companies, since the process is slow. The impasse over copper is already more than two years old.

During most of this period, Chile has achieved a de facto suspension of some \$900 mil-

lion in debts to the United States. But now credit to Chile needs in its deepening economic crisis have long since been suspended.

Another U.S. objection to use of the 1914 treaty is that either side can refuse to accept the final arbitration on the ground of overwhelming national interest. Chile's position is that the treaty proposal is at least an initiative made in good faith, and that it is up to the United States to accept or offer an alternative.

Good Faith

With the ITT hearings now raising the question of good faith on the part of the U.S. government, the Chilean team indicated that it will make no move to renew the talks.

Allende has established a special task force to study the Washington testimony for possible followup in Chile. He is reported to believe that American efforts to prevent his taking power were carried out with the connivance of opposition politicians here.

Under consideration is a plan to use the ITT issue to consolidate support for the president in the opposition-dominated Congress.

One of the ironies of the ITT case is that the company continues to do considerable business here.

Phone Company

The operation of its major holding, the phone company, was taken over by the government in 1971. Company and Chilean government sources alike indicated that they were near agreement on compensation when the Anderson documents were printed, and the Chileans broke off negotiations.

When the documents came out, Allende said privately, "This is the first CIA plot that benefited the victim." Indeed, the seeming confirmation of relentless Marxist charges against the imperialists was a political windfall for the president.

Allende ordered the documents printed in book form, and the book became a best-seller overnight. Then Allende announced at a huge rally that the government would "expropriate the ITT."

Later he clarified his statement, saying that only the phone company was involved. Other ITT properties here are two hotels, Avis car rentals, a small international telex service, and a phone equipment plant.

Sunday, April 1, 1973 THE WASHINGTON POST

ITT and CIA on Chile: A Semblance of Influence Over Policy

By Laurence Stern

Washington Post Staff Writer

The most lurid of Marxist propaganda parables against the excesses of U.S. imperialism couldn't have been plotted with more heavy-handed caricature than the ITT saga in Chile, as it has unfolded the past two weeks in a Senate hearing room.

There was the giant American corporation conspiring with the Central Intelligence Agency to subvert by clandestine economic warfare an elected left-wing government in Latin America.

There, also, was a senior figure of the American industrial elite, John A. McCone, serving as go-between for the CIA he once headed and International Telephone and Telegraph on whose board he sits.

There was, furthermore, the spectacle of ITT executives lobbying officials of the National Security Council, the top-secret policy arm of the White House through which the President directs American foreign operations.

The case has propelled into the limelight as CIA's operational contact man with ITT a government official with the most tantalizing job title in town, William V. Broe, chief of clandestine services, Western Hemisphere, of the CIA's Directorate of Plans.

The centerpiece of this intriguing jigsaw has been ITT itself, whose motto—"serving people and nations everywhere"—well describes its multinational and conglomerate scale of operations. ITT, the nation's eighth largest industrial corporation, functions as a global subgovernment in more than 70 countries. It reported \$8.5 billion in sales and revenues during 1972.

Starting with the modest base of the Virgin Islands telephone company at the beginning of the 1920s, ITT rapidly branched out around the world under the dynamic management of a Danish entrepreneur, Sosthenes Behn, who became a naturalized American citizen when the United States bought the Virgin Islands from Denmark in 1917.

Corporate Involvement

By World War II, according to Justice Department records, a German subsidiary of ITT was an owner of the company that produced

the Luftwaffe's Focke-Wulf fighter while an American subsidiary was building the "Huff-Duff" U-boat detector for the U. S. Navy. After the war ITT collected several million dollars in damages from the U.S. Foreign Claims Settlement Commission for allied bombing damage to the Focke-Wulf plants, according to government records.

And so ITT's problems in Chile came against a background of broad corporate involvement in international relations.

Two weeks of public hearings by the Senate Foreign Relations Subcommittee on Multinational Corporations have provided a rare glimpse of the interrelationship between corporate interests and public policy in the conduct of U.S. foreign relations.

But it is by no means a picture of clear-cut collusion. In fact, there was some evidence of disarray within the administration toward the assumption of power in September, 1970, of the first elected Marxist government in the Western Hemisphere, as the administration of Chilean President Salvador Allende was called.

The professed position of the Nixon administration toward Allende's election was one of strict neutrality. This was reiterated during the Senate hearings by former Assistant Secretary of State for Inter-American Affairs Charles Meyer and former Ambassador to Chile Edward Korry.

Yet CIA operative Broe testified under oath that his "operational" contacts with ITT, which included agency-drafted and approved plans for sabotage of the Chilean economy, were carried out with the complete approval of his superiors.

Explore Options

His superior at the time was CIA Director Richard M. Helms, who reports to the National Security Council which in turn reports directly to the President through national security adviser Henry A. Kissinger.

It is inconceivable to those familiar with the tightly managed White House national security system that such a mission as Broe conducted with ITT officials in late September,

1970—before the Chilean congress met to ratify Allende's popular election—was without full NSC approval.

How did this square with the policy of neutrality to which both Korry and Meyer attested? Meyer suggested that there was no inconsistency. The government maintained the right, he said, to explore options.

Subcommittee members reacted with skeptical grumbles. Had ITT decided to carry out Broe's suggestions, Chairman Frank Church (D-Idaho) pointed out, the "option" would have become an operational policy. ITT, as it turned out, felt the plan was unworkable. As formulated by Broe and the agency, it would have been up to ITT to execute on its own.

The gist of the plan was for a group of American companies, under ITT predilection, to use their financial clout to accelerate—as Broe testified—"the deteriorating economic situation" in Chile. The objective was to turn wavering Christian Democratic congressmen away from Allende in final balloting.

In his conversations with ITT Vice President Edward Gerrity, Broe told the subcommittee, "it was understood that he was going to be doing it and CIA was not involved. It was ITT which was looking into the thing."

That testimony was crucial, for it may have illuminated the National Security Council decision in early September, 1970, for dealing with Allende's imminent election in the Chilean congress the following month as the hemisphere's first constitutionally chosen Marxist chief of state.

The indications in the investigation, never publicly confirmed by a government witness, were that the CIA was authorized to explore various covert options designed to prevent Allende from taking power. These actions fell in the shadowy region between public policy and clandestine operations that might be carried out without the public sanction of the administration.

ITT was the chosen instrument because of the previous approaches of McCone and ITT Chairman Harold S. Geneen, prior to Allende's popular election.

ITT, as Broe testified, "was the only company that

contacted the agency and expressed an interest in the current situation in Chile."

The administration may well have reacted with some trauma to Allende's popular election victory since, according to the testimony, CIA polls have inaccurately predicted the election of his opponent, Jorge Alessandri, candidate of the conservative National Party.

The CIA's rejection of Geneen's overtures the previously July for intervention in Chile could have resulted from the agency's misreading of Allende's election prospects. By its own testimony, Geneen's proffer of "a substantial fund" to finance an anti-Allende plan was unattractive to the CIA.

What the testimonial pattern suggests is that as political events crystallized in Chile, the CIA and ITT were pursuing increasingly congruent goals: further roiling Chile's already disrupted economy, trying to promote the prospects of Alessandri in the congressional election run off, ultimately seeking to block Allende's accession as president.

ITT was pursuing its own corporate welfare in view of Allende's pre-election vows to nationalize basic industries, as well as the ITT-owned Chilean telephone company. The CIA was pursuing a softly stated mandate of the NSC to see what it could do to stave off the specter of a new Marxist administration in the politically volatile southern hemisphere.

Just how high the mandate ran within the administration can only be a subject of speculation. The Senate subcommittee does not even entertain the possibility that it can compel the testimony of Kissinger, the man who has all the answers.

But Kissinger, 12 days after Allende's popular election, is on record as having expressed serious concern over the impact of a Chilean Marxist government on surrounding countries.

In the case of ITT, the record suggests that Geneen, McCone and other corporate executives had an access to top administration officials that has created at least a strong semblance of influ-

WASHINGTON STAR
27 March 1973

Testimony by Agent Is a First for CIA

By JEREMIAH O'LEARY
Star-News Staff Writer

An agent of the CIA today made an unprecedented appearance before a Senate subcommittee to tell under oath what he knows about the relationship between himself and International Telephone and Telegraph Corp. regarding political events in Chile.

The appearance of William V. Broe, former chief of the CIA Latin American division, before the Senate Subcommittee on Multinational Corporations, was behind closed doors. But Chairman Frank Church, D-Idaho, has worked out an agreement with CIA Director James Schlesinger so that a transcript of much of the question-and-answer session will be released, to the public probably within 24 hours.

No operating agent of the CIA has ever made a congressional appearance under such near-open conditions. The subcommittee, which already has interviewed Broe informally, was to make public a declassified copy of that transcript today, according to aides.

Who Initiated Plans?

Subcommittee officials said it was obvious that the CIA agreed to this break with precedent because the agency is anxious for its side of the ITT-Chile controversy to be made public. Testimony in the hearing between ITT and CIA in connection with the election of Marxist President Salvador Allende in Chile.

The major question raised by conflicting testimony is whether CIA or ITT initiated plans whereby the corporation

offered up to \$1 million to any U.S. government operation regarding the Chilean election outcome.

Schlesinger Letter

John McCone, former CIA director and now a director of ITT, testified he understood the money was to block Allende from taking power but ITT senior vice president Edward Gerrity said he thought the money was for housing and agricultural projects that might mollify Allende in his drive to nationalize ITT properties without compensation.

Schlesinger's agreement with the subcommittee about Broe's appearance today was described in a letter to Church yesterday. It said:

"I believe that our discussions in recent weeks have indicated my desire to cooperate to the fullest extent possible with the subcommittee in the matter of the ITT-Chile investigations consistent with responsibilities placed on me by law and with the necessity for respecting certain sensitive agency relationships.

"It was in this spirit that I suggested that Mr. Broe meet with you and the staff of your subcommittee in formally and privately to discuss the extent of Mr. Broe's relationships with officials of ITT. As an outgrowth of that meeting, Mr. Broe responded for the classified record to a series of questions submitted to your subcommittee staff. I have since reviewed Mr. Broe's answer to these questions and concluded that most, if not all of them, can be declassified

lat3r that year.

Gencen's testimony today before the Senate Subcommittee on Multi-national Corporations drew a sharp distinction between his July 1970 meeting with Broe in Washington and ITT's decision to "risk reasonable additional funds" in September when Allende appeared assured of the presidency.

The kind of U.S. government plan ITT was willing to support financially, Gencen testified, "would offer Allende a quid pro quo for proceeding with nationalization in a manner that would provide for a long-term recovery of U.S. investments. Of course, our thinking was very preliminary and we had no specific plans but we did think that some socially constructive joint private industry and government projects could be part of the overall plan.

"SUCH A PLAN might well envision the willingness on our part and others risking additional reasonable funds in order to safeguard the very large amount which were at risk."

"The amount of up to seven figures," Gencen said, "was intended to show a serious intent and to gain serious attention from the government."

ence over policy.

At the time it was pushing for intervention in Chile, ITT was campaigning actively in Washington against a pending antitrust action, calling for it to divest itself of the \$2 billion Hartford Insurance Co.

ITT officials were, in some cases, dealing with the same administration men on the two separate matters. As it turned out, ITT won its fight on the Hartford case when antitrust chief Richard McLaren, now a federal judge, reversed himself and withdrew opposition to the merger.

Things may not end up so happily for ITT in the Chilean affair. Its claim upon the Overseas Private Investment Corp. (OPIC), a government agency, for \$92.5 million in confiscation losses is now in doubt.

Gencen's position in the company has not been totally enhanced by the revelations on Capitol Hill of the past few weeks.

ITT's chairman is due to testify on his dealings with the administration and CIA over the Chilean affair. His position, as a result of the testimony of McCone, Broe, and ITT executives, is somewhat analogous to that of a man standing in a corner surrounded by wet paint.

WASHINGTON STAR
2 April 1973

ITT's Chief Can't Recall Chile Offer

By JEREMIAH O'LEARY
Star-News Staff Writer

ITT Chairman Harold S. Gencen today told Senate investigators he had no recollection of offering a financial contribution to CIA agent William V. Broe for support of a democratic candidate before the 1970 Chilean election but "accepted" that he might have done so.

However, Gencen acknowledged directing that the State Department and Dr. Henry A. Kissinger be informed that ITT was willing to assist financially in any U.S. government plan to protect American investment in Chile after Marxist Salvador Allende's election seemed certain

LONDON TIMES
22 March 1973

Anthony Thomas reports on the ITT affair in Chile

How tight a grip do multinationals have on US foreign policy?

A Congressional investigation into the impact multinational corporations have on foreign policy has begun this week with sensational documentation on the clandestine operations of the International Telephone and Telegraph Corporation in Chile.

ITT internal documents produced at the hearing indicate, at the very least, close links between this huge conglomerate company and the Central Intelligence Agency during 1970 in an effort to secure their common objective of frustrating the results of a popular election which brought Dr Salvador Allende, a Marxist, to power as president.

The hearings have predictably provoked immense interest and while it is undoubtedly true politicians enjoy the limelight the hearings are viewed with decidedly mixed feelings by the more serious members of the Senate Foreign Relations Committee's sub-committee on multinational corporations.

They see the investigation, which is expected to stretch over three or four years, as an important one and they are worried the ITT hearings could distort their purpose by giving the study prosecutor-versus-defendants overtones.

There is also some concern about the impact the hearings themselves could have on foreign policy, with the ITT revelations causing a wave of anti-Americanism in Chile which could ripple throughout Latin America.

In the United States itself the investigation is yet another significant pointer to an increasing national suspicion that the interests of United States multinational corporations do not always—or even usually—coincide with the wider national interests of the United States.

It follows closely on the heels of a separate study by a Senate Finance Committee sub-committee which included a table measuring the gross annual sales of American multinationals against the national products of foreign nations.

On the basis of 1970 statistics, General Motors was bigger than South Africa, Exxon Corporation than Denmark, Ford than Austria, Shell than the Philippines, and ITT than New Zealand, Portugal or Peru.

These and other such reports, together with trade union resentment which is encapsulated by the slogan "export of jobs", have had a cumulative impact on the United States Congress. This is expected to influence the reaction of legislators to the trade legislation proposals President Nixon plans to submit in preparation for multilateral

negotiations within Gatt this autumn.

Many Administration officials now believe President Nixon will have to agree to a significant increase in United States taxes on the foreign profits of United States multinationals if the trade Bill is to pass into law.

Against this backdrop, the ITT hearings could not have come at a worse time for the United States multinationals, not least because they give substance to socialist and Marxist arguments about a very intimate relationship between government and big business in the modern capitalist state.

ITT's internal documents reveal a succession of meetings between its senior officials and Mr William Broe, whose formal title is Chief of Clandestine Services, Western Hemisphere, Directorate of Plans, Central Intelligence Agency.

In one memorandum, Mr William Merriam, the ITT vice-president, reports of October 9, 1970, on a lunch he had "with our contact at the McLean agency". McLean is a suburb of Washington DC which contains the CIA headquarters and Mr Merriam has since confirmed the "contact" was Mr Broe.

According to Mr Merriam, Mr Broe was "very, very pessimistic" about the chances of the Chilean Congress refusing to endorse the victory of Dr Allende in the Chile presidential election.

He further reports that no progress has been made in persuading American companies, including General Motors and Ford, to cooperate in some way as to bring economic chaos in Chile and adds: "Undercover efforts are being made to bring about the bankruptcy of one or two of the major savings and loan associations. This is expected to trigger a run on the banks and the closure of some factories, resulting in more unemployment."

The intention of all these efforts was, apparently, to panic the Chilean Congress into awarding the election to Mr Jorge Alessandri, a right-wing candidate who trailed Dr Allende in the popular vote.

Mr Alessandri was prepared to resign immediately and so open the way for President Frei, the retiring President, to run in a two-way contest against Dr Allende.

The documents also reveal intelligence reports to the company in which the characters of prominent men are analysed with chilling candour. A report from ITT's Chilean office describes Mr Edward Korry, the then American Ambassador to Santiago, as a man who has a habit of "saying one thing to one person and a different story to his next visitor".

Mr Charles Meyer, the then

NEW YORK TIMES
28 March 1973

Ex-Envoy Says the C.I.A. Ordered Polls on Allende

By EILEEN SHANAHAN
Special to The New York Times

WASHINGTON, March 27—The Central Intelligence Agency commissioned polls to determine the probable outcome of the presidential election in Chile in 1970, Edward M. Korry, former United States Ambassador to Chile, said today.

But Mr. Korry would not say, under questioning from a special Senate subcommittee, whether he also had known a reported decision by the agency to set aside \$400,000 for propaganda activities in Chile aimed at influencing the outcome of that election.

The winner was Dr. Salvador Allende Gossens, whom Mr. Korry said he had wanted defeated because he believed that Dr. Allende would carry out the Marxist platform on which he ran and would nationalize American-owned businesses in Chile.

Question Raised by Lawyer
The question about a \$400,000 propaganda fund was raised by Jerome I. Levenson, chief counsel to the subcommittee on multinational corporations of the Senate Foreign Relations Committee.

Mr. Levinson did not name his source for the assertion that \$400,000 had been made available to influence the election.

Earlier in the day, however, the subcommittee had questioned, in a closed session, the former director of the Central Intelligence Agency's clandestine activities in Latin America, William V. Broe.

Mr. Broe's testimony is to be made public as soon as top agency officials have reviewed it for previously unpublished information that might dis-

close United States intelligence sources or methods.

According to the Korry testimony, the polls that the C.I.A. commissioned showed that Dr. Allende would win the election, which was a three-way race, with about 10 per cent of the vote.

Mr. Korry said that he had challenged the validity of the polls because they were based on 1960 census statistics and he had felt that more up-to-date information would show less support for Dr. Allende.

The Chilean won 36 per cent of the popular vote and was later elected by the Chilean Congress under a regular procedure for deciding an election in which no candidate received a majority of the votes.

The decision to allocate \$400,000 for anti-Allende propaganda was made, according to Mr. Levinson, not just by the Central Intelligence Agency but also by the high-level inter-agency Government committee that oversees the agency's policy.

Mr. Levinson indicated that the money had been earmarked for use in Chile in late June or early July 1970; the popular election was held Sept. 4, 1970.

Mr. Korry took the position that he could not answer questions on the reported fund and on other matters he was asked about today.

On matters involving the C.I.A., he said that the law provided that only the agency's director could disclose anything concerning its activities.

On questions about instructions he had received from the State Department, he said that if he answered he would be violating promises of confidentiality he had made when sworn as Ambassador.

assistant secretary of states for inter-American affairs, is described as charming, elegant, witty and ranking "very high as the weakest assistant secretary in recent times".

The reports even extend to an detailed analysis of the health of Dr Allende. ITT headquarters are informed: "He has kidney trouble. He has had hepatitis twice, and it left him with chronic liver problems. He has suffered a heart attack, and two minor strokes that left the right side of his face partly paralysed. He is also known as a heavy drinker, and of course this aggravates his physical problems."

But what is most likely to compromise ITT's standing in less developed countries are the documents which profess to disclose intimate advance knowledge of plans for a military coup in Chile by the then General Roberto Viaux.

Mr E. J. Gerrity, an ITT senior vice president, was informed in a memo from

the ITT Chilean office on October 16, 1970: "It is a fact that word was passed to Viaux from Washington to hold back last week. It was felt he was not adequately prepared, his timing was off, and he should 'cool it' for a later, unspecified date. Emissaries pointed out to him that if he moved prematurely and lost, the defeat would be tantamount to a 'Bay of Pigs' in Chile."

Eight days after this internal memo General Rene Schneider, the commander in chief of the Chilean Army, was assassinated and General Viaux was later convicted of plotting his death.

These revelations—and others which will become public during the Congressional hearings—are going to reverberate around Latin America, Africa and Asia for many years to come.

Other multinational corporations are going to suffer in the backlash unless they can convincingly demonstrate that ITT's behaviour is an aberration and not the norm.

WASHINGTON POST
3 April 1973

ITT Head Affirms Fund Offer

By Laurence Stern
Washington Post Staff Writer

Harold S. Geneen, chairman of the International Telephone and Telegraph Corp., acknowledged yesterday that he twice offered large sums of money to the U.S. government in 1970 to block the election of Chilean President Salvador Allende.

The ITT executive, reputed to be the nation's highest paid corporate officer, gingerly stepped around contradictions in previous testimony by ITT officials and other witnesses which Sen. Frank Church (D-Idaho) declared might be the basis for perjury action.

Geneen said he could not recall making an offer of a "substantial fund" to a top Central Intelligence Agency official, William V. Broe, in July, 1970, to finance an agency effort to stop Allende.

But he stipulated that he would accept Broe's sworn version of their conversation during a late evening meeting in Geneen's room at the Sheraton Carlton Hotel here.

He said the offer to Broe might have been ill-advised, prompted by his "shock" at political developments in Chile where he feared confiscation by the Allende government of ITT holdings. The CIA declined his offer, he said, and the matter "died right there."

But the offer surfaced again in different form in September after Allende's popular election, Geneen conceded under questioning. It came in the form of a proposal conveyed by ITT to national security adviser Henry A. Kissinger and Richard M. Helms, then head of the CIA, to donate "up to a million dollars" toward a plan to block Allende's confirmation by the Chilean Congress.

Geneen's emissary this time was John A. McCone, Helms' former boss in the CIA, an ITT board member and also a CIA consultant. McCone first disclosed the mission in earlier testimony to the Senate investigators.

Geneen also disclosed that ITT had offered to contribute to the CIA in the 1964 election when Allende lost to Christian Democrat Eduardo Frei. The offer, he said, was turned down, as was the 1970 proffer to the agency.

For three hours under hot television lights Geneen sparred his Senate questioners. At one point Church, chair-

man of the inquiry, exclaimed that testimony on ITT's role was getting "curlouser and curlouser."

Geneen was flanked by two lawyers and a bodyguard. Behind him sat a row of ITT's top corporate officers. His testimony marked the closing session of the inquiry by the Senate Foreign Relations Subcommittee on Multinational Corporations into the giant communication conglomerate's activities in the 1970 Chilean election.

In earlier sessions ITT vice president Edward Gerrity said Geneen's second offer of a fund "up to seven figures" was for some form of development aid in housing or agriculture. He was never aware, said Gerrity, of the purpose disclosed by McCone: to finance U.S. government efforts to block Allende's confirmation by Chile's Congress.

But the ITT official who was supposed to convey the offer of development aid to the White House and State Department said yesterday he had never been instructed to make such an offer. "I passed on the message I received," said Jack Neal of ITT's Washington office.

Gerrity conceded he might have failed to pass along that ITT was ready to underwrite a \$1 million contribution for development aid to Chile.

Geneen himself took the position that the million-dollar offer was a "dual" offer: It might have been allocated by the government toward financing an anti-Allende coalition in the Chilean Congress, or it might have been used for development aid. "It was intended to be a very open offer," he said.

"If I were Dr. Allende," interjected Sen. Clifford P. Case (R-N.J.), "and a non-friend offered a plan to a group of my enemies to defeat Case—or, if Case should win, to make him vote straight—then I would regard that as provocative."

Geneen responded: "That depends on what the second plan was."

"I don't think I'd ever get over the first plan," Case snapped back.

"As the record now stands," said Church, "the beneficent plan, the constructive proposal, was never communicated to the government and died somewhere as it was being passed down to subordinates of the company. . . . Why was something so serious never communicated to the government?"

Geneen could not explain the communication lapse within ITT.

In his prepared statement Geneen said he used the magnitude of "up to seven figures" in order "to show a serious

WASHINGTON STAR
3 April 1973

Church to Seek CIA Donor Ban

By JERIMIAH O'LEARY
Star-News Staff Writer

Chairman Frank Church, D-Idaho, of the Senate multinational corporations subcommittee plans to introduce legislation that would make it a federal crime for a business organization to contribute money to finance operations of the Central Intelligence Agency.

Church announced this intent at the close yesterday of two weeks of hearings into the machinations of ITT Corp. with CIA and other government agencies in the internal affairs of Chile. The hearings produced testimony that ITT and CIA approached each other at different times in the Chilean election period of 1970 with suggestions for affecting the outcome of the election and the Chilean economy.

But Church indicated that the subcommittee would not pursue his threat to send the transcript of the hearings to the Justice Department on suspicion of perjury: Church announced last week that he believed "someone is lying" when testimony of ITT executives appeared to conflict with that of U.S. government witnesses and other ITT officials. Church said the inconsisten-

intent and to gain serious attention from the Government."

In presenting ITT's role in the Chilean affair, Geneen said, "all that ITT did was to present its views, concerns, and ideas to various departments of the U.S. government. This is not only its right, but also its obligation."

At one point Church interjected, "If all this involved was petitioning the government, why did you seek out the CIA?" Geneen responded: "Because I think they are good suppliers of information in this area."

The ITT chairman said he did not realize in meeting with Broe, the CIA's chief of clandestine services for Latin America, what the distinction was between the clandestine and intelligence services of CIA. The purpose for which he requested the meeting, Geneen said, was to get current information on political developments in Chile.

Normally intelligence briefings by the CIA are provided by its intelligence wing, the directorate of intelligence. The directorate of plans, for which Broe worked, is mainly responsible for covert operations such as political or economic sabotage.

cies now seem to be due to lapses of time or memory, or a failure to communicate among those involved in the sensational ITT documents on Chile.

"I feel the wider the distance between big business and the CIA the better for all concerned," Church declared. "Legislation to accomplish this may be one of the better outgrowths of these hearings. We cannot have this incestuous relationship between the CIA and U.S. companies operating abroad."

Harold S. Geneen, ITT board chairman, occupied the witness chair for most of yesterday as the subcommittee wound up the hearings. Geneen's testimony was that there were two distinct phases to ITT's thinking on Chile in 1970: One in the summer when Marxist Salvador Allende was campaigning on a platform of expropriation that ITT believed would cost the corporation its \$153 million investment; the other during the autumn when Allende looked to be a sure winner requiring only confirmation by the Chilean Congress.

Geneen accepted testimony of CIA agent William V. Broe that Geneen had offered a substantial sum for any government plan that would block Allende, although he said he did not recall doing it. But Geneen said that money offer "died" when Broe rejected the offer in July 1970.

"The next offer was entirely separate and had a dual purpose," Geneen testified. "The offer of \$1 million was openly presented to two departments of government (The National Security Council and the State Department). It was to make Allende more receptive to us and other companies if he was elected or to help the Chileans arrive at a democratic coalition solution. The \$1 million figure was only a measurement of our willingness to join any government program."

Sen. Clifford Case, R-N.J., said, "If I heard someone was offering \$1 million to defeat me or make me vote better, I'd take that as a provocation."

"That depends on the second part of the plan," Geneen said.

"I don't think I'd get over the first plan," Case replied.

THE NEW YORK TIMES, SATURDAY, MARCH 24, 1973

Remarks by Principals in Watergate

Sentencings

Special to The New York Times

WASHINGTON, March 23 —Following are the text of a letter from James W. McCord Jr. to Chief Judge John J. Sirica of the United States District Court and excerpts from prepared statements by Judge Sirica made in sentencing six Watergate conspirators and from a statement at sentencing by one of them, E. Howard Hunt Jr.:

James W. McCord Jr.

Certain questions have been posed to me from your honor through the probation officer, dealing with details of the case, motivations, intent, mitigating circumstances.

In endeavoring to respond to these questions, I am whipsawed in a variety of legalities. First, I may be called before a Senate committee investigating this matter. Secondly, I may be involved in a civil suit, and thirdly there may be a new trial at some future date.

Fourthly, the probation officer may be called before the Senate committee to present testimony regarding what may otherwise be a privileged communication between defendant and judge.

As I answered certain questions to the probation officer, it is possible such answers could become a matter of record in the Senate and therefore available for use in the other proceedings just described.

My answers would, it would seem to me, violate my Fifth Amendment rights, and possibly my Sixth Amendment right to counsel and possibly other rights.

Penalty for Noncooperation

On the other hand, to fail to answer your questions may appear to be noncooperation, and I can therefore expect a much more severe sentence.

There are other considerations which are not to be lightly taken. Several members of my family have expressed fear for my life if I disclose knowledge of the facts in this matter, either publicly or to any government representative.

Whereas I do not share their concerns to the same degree, nevertheless, I do believe that retaliatory measures will be taken against me, my family, and my friends should I disclose such facts. Such retaliation could destroy careers, income, and reputations of persons who are innocent of any guilt whatever.

Be that as it may, in the interest of justice, and in the interest of restoring faith in the criminal justice system, which faith has been severely damaged in this case, I will state the following to you at this time which I hope may be of help to you in meting justice in this case:

1. There was political pressure applied to the defendants to plead guilty and remain silent.

2. Perjury occurred during the trial in matters highly material to the very structure, orientation and impact of the Government's case, and to the motivation and intent of the defendants.

3. Others involved in the Watergate operation were not identified during the trial, when they could have been those testifying.

4. The Watergate operation was not a C.I.A. operation. The Cubans may have been misled by others into believing that it was a C.I.A. operation. I know for a fact that it was not.

5. Some statements were unfortunately made by a witness which left the court with the impression that he was stating untruths, or withholding facts of his knowledge, when in fact only honest errors of memory were involved.

6. My motivations were different than those of the others involved, but were not limited to, or simply those offered in my defense during the trial. This is no fault of my attorneys, but of the circumstances under which we had to prepare my defense.

Private Talk Sought

Following sentence, I would appreciate the opportunity to talk to you privately in chambers. Since I cannot feel confident in talking with an F.B.I. agent, in testifying before a grand jury whose U. S. attorneys work for the Department of Justice, or in talking with other Government representatives, such a discussion with you would be of assistance to me.

I have not discussed the above with my attorneys as a matter of protection for them.

I give this statement freely and voluntarily, fully realizing that I may be prosecuted for giving a false statement to a judicial official, if the statements herein are knowingly untrue. The statements are true and correct to the best of my knowledge and belief.

Judge Sirica

Statement on sentencing

G. Gordon Liddy:

The court, at this time, wishes to briefly state some of the considerations which have contributed to its sentencing decisions in this case.

In the first instance, it seems clear that the defendants realized, at the time they acted, that their conduct violated the law. Now, it is true that "ignorance of the law is no excuse" and that one may be held accountable for a failure to obey the law whether he has read the statute books or not. Despite this fact, however, the court believes that

the knowing and deliberate violation of laws deserves a greater determination than a simple careless or uncomprehending violation.

It is appropriate to consider, in addition, the nature of the misconduct, and the gravity of the offenses committed. The indictment contains two counts of burglary, a serious crime. Other counts refer to Title 18 United States Code Sec. 2511 concerning the privacy of oral and wire communications. The Senate report on the bill which included what is now Sec. 2511 contained the following statement:

"The tremendous scientific and technological developments that have taken place in the last century have made possible today the widespread use and abuse of electronic surveillance techniques. As a result of these developments, privacy of communication is seriously jeopardized by these techniques of surveillance. No longer is it possible for each man to retreat into his home and be left alone. Every spoken word relating to each man's personal, marital, religious, political or commercial concerns can be intercepted by an unseen auditor and turned against the speaker to the auditor's advantage."

Sec. 2511 was designed to prevent this great evil. Obviously, however, it has not stopped these defendants from knowingly committing the acts of which they stand convicted. From the evidence presented in the course of these proceedings, the court has reached the opinion that the crimes committed by these defendants can only be described as sordid, despicable and thoroughly reprehensible.

The court has also considered the purposes to be served by imposing sentences in this case. In view of the foregoing, and taking into account the background of the defendants, it seems obvious to the court that rehabilitation is not the principal purpose to be served. Nor is it appropriate to impose sentence here with the intent of satisfying someone's desire for reprisal.

In this matter, the sentences should be imposed with an eye toward a just punishment for the grave offenses committed and toward the deterrent effect the sentences might have on other potential offenders.

Numerous other considerations, both favorable and unfavorable to the defendants, have played a part in the court's decisions.

Statement on Sentencing

Hunt, Bernard L. Barker, Eugenio R. Martinez, Frank A. Sturgis, and Virgilio R. Gonzalez.

With respect to the five

defendants who have entered guilty pleas, the court finds that it requires more detailed information before it can make a final determination of the sentences to be imposed. The court will therefore implement at this time, the provisions of Title 18 United States Code Sec. 4208(B):

The effect of the court's ruling, then, is this:

First: Each of you five defendants now before me are provisionally committed for the maximum sentence of imprisonment prescribed by law for your offenses.

Second: A study will be conducted under the direction of the Bureau of Prisons. Within three months, the court will be furnished with the results of this study together with any recommendations made by the director of the Bureau of Prisons. Should more than three months be required, the court may grant time for further study up to an additional three months.

Third: Once the studies with respect to each defendant are completed and the court has analyzed the information contained therein, the court will make a final disposition of your cases. The court will have basically three alternatives: (1) to affirm the sentence of imprisonment originally imposed, that is, the maximum sentence, (2) To reduce the sentence of imprisonment as the court deems appropriate, or (3) To place the defendant on probation. In any case, the terms of sentence will begin to run from the date of original commitment.

I have carefully studied the pre-sentence reports and the trial transcripts. Among other things, I have taken into consideration, and will keep in mind, the fact that each of you voluntarily entered pleas of guilty. On the other side of the scale, however, is the fact that none of

you have been willing to give the Government or other appropriate authorities any substantial help in trying this case or in investigating the activities which were the subject of this case.

Now I want to speak plainly about this matter. You will all no doubt be given an opportunity to provide information to the grand jury which has been, and still is, investigating the "Watergate affair" and to the Senate Select Committee on Presidential Campaign Activities. I sincerely hope that each of you will take full advantage of any such opportunity.

My sentiments in this regard are identical to those expressed on February 28th of this year by Judge Warren J. Ferguson, a United States District Judge in Los

Angeles, California, and a man for whom I have the highest admiration, Judge Ferguson has before him a matter which is, in many respects, analogous to this case.

That proceeding grew out of certain unlawful transactions revealed a few years ago involving a onetime sergeant major of the Army. This man and others pleaded guilty before Judge Ferguson on the 28th to an information charging them with fraud and corruption in the operation of United States military clubs in parts of Europe, Vietnam and the United States. At the time of the plea, Judge Ferguson made a statement which I am going to read now. He has stated the matter exceptionally well.

"There are various sentencing philosophies to deter other people from committing crime, to deter the defendant himself from committing other crimes against the Government, to rehabilitate people and all of the other various philosophical reasons why judges sentence people.

"In this case, for various reasons which are not necessary for the court to express from the bench, I am more concerned that the activities to which you have pled guilty will not occur in the future by any other sergeant of the Army, sergeant major of the Army, any master sergeant of the Army, or any staff sergeant of the Army or anybody else in the military system and I don't know whether or not the three of you are isolated incidents of the things to which you have pled guilty and whether or not it is the system which permitted this activity to take place.

"The things we say here, if I can paraphrase a great President, will not be long remembered. You and I are individuals and life is pretty slender and what I do to you basically is not going to affect other sergeant majors in the Army and another war that comes along in our future, and they will come.

"But I want to do all I can to insure that in future wars or future military operations that the system, the system itself, prohibits the conduct to which you have entered your guilty pleas. Because if that is accomplished then there has been a benefit to the Government, really.

No Gain From 'Flesh'

"I don't think the Government wants a pound of flesh out of you. That is very little benefit to the Government. That is very little benefit to society. That is very little benefit to anybody except an expression that society does not approve to the things you have entered your guilty pleas to.

"But you will pass on and there will be other people taking your place and Woolridge will be forgotten about and Higdon will be forgotten

about and nobody will remember Bass as individuals. There will be a flurry of publicity as a result of your guilty pleas, naturally, but in a week or so it will be forgotten about.

"But you see, I don't want it forgotten. So I have told your attorneys that the sentence that I will impose upon you—and I am making no promise of leniency; I want that clearly and positively understood; I am making no promise of leniency—but the sentence I will impose will depend primarily on whether or not you cooperate with the permanent Subcommittee on Investigation of the United States Senate and if you are asked to testify and give evidence before that permanent subcommittee and if you testify openly and completely, regardless of what the implications are to yourself or to anyone else or to the system so that the branch of the Government which can take corrective action is able to take action so that this activity simply does not occur again, then I will take that into consideration because I want to see something beneficial to the Government come out of these proceedings.

Now, I don't know what the subcommittee will do but I fully expect you to cooperate absolutely, completely and entirely with whoever from that subcommittee, whether it is a Senator, or whether it is a staff investigator. Whoever it is who interrogates you, you will openly and honestly testify.

Now I believe that the "Watergate affair," the subject of this trial, should not be forgotten. Some good can and should come from a revelation of sinister conduct whenever and wherever such conduct exists.

I am convinced that the greatest benefit that can come from this prosecution will be its impact as a spur to corrective action so that the type of activities revealed by the evidence at trial will not be repeated in our nation. For these reasons, I recommend your full cooperation with the grand jury and the Senate Select Committee.

You must understand that I hold out no promises or hopes of any kind to you in this matter, but I do say that should you decide to speak freely, I would have to weigh that factor in appraising what sentence will be finally imposed in each case. Other factors will, of course, be considered, but I mention this one because it is one over which you have control.

E. Howard Hunt Jr.

I stand before you, a man convicted first by the press, then by my own admissions, freely made even before the beginning of my trial. For 26 years I served my country honorably and with devotion: first as a naval officer on the wartime North Atlantic, then as an Air Force officer in China. And finally,

as an officer of the Central Intelligence Agency combating our country's enemies abroad.

In my entire life I was never charged with a crime, much less convicted of one. Since the 17th of June 1972, I lost my employment, then my beloved wife, both in consequence of my involvement in the Watergate affair. Today I stand before the bar, of justice alone, nearly friendless, ridiculed, disgraced, destroyed as a man.

These have been a few of the many tragic consequences of my participation in the Watergate affair, and they have been visited upon me in overwhelming measure.

What I did was wrong, unquestionably wrong in the eyes of the law, and I can accept that. For the last eight months I have suffered an ever-deepening consciousness of guilt, of responsibility for my acts, and of the drastic penalties they entail. I pray however that this court—and the American people—can accept my statement today that my motives were not evil.

An 'Honorable' Life

The offenses I have freely admitted are the first in a life of blameless and honorable conduct. As a man already destroyed by the consequences of his acts I can represent no threat to our society, now or at any conceivable future time. And as to the factor of deterrence, your honor, the Watergate case has been so publicized that I believe it fair to say the American public knows that political offenses are not to be tolerated by our society within our democratic system.

The American public knows also that because of what I did, I have lost virtually everything that I cherished in life—my wife, my job, my reputation. Surely, these tragic consequences will serve as an effective deterrent to anyone else who might con/em-

plate engaging in a similar activity.

The offenses to which I pleaded guilty even before trial began were not crimes of violence. To be sure, they were an affront to the state, but not to the body of a man or to his property. The real victims of the Watergate conspiracy, your honor, as it has turned out, are the conspirators themselves. But there are other prospective victims.

Plea for the Children

Your honor, I am the father of four children, the youngest a boy of 9. Had my wife and I not lost our employment because of Watergate involvement, she would not have sought investment security for our family in Chicago where she was killed last December. My children's knowledge of the reason for her death is ineradicable—as is mine. Four children without a mother. I ask they they not lose their father, as well.

Your honor, I cannot believe the ends of justice would be well served by incarcerating me. To do so would add four more victims, to the disastrous trail of events in which I was involved. I say to you, in all candor, that my family desperately needs me at this time. My problems are unique and real, and your honor knows what they are. My probation officer has discussed them with me at some length.

I have spent almost an entire lifetime helping and serving my country, in war and peace. I am the one who now needs help. Throughout the civilized world we are renowned for our American system of justice. Especially honored is our judicial concept of justice tempered with mercy. Mercy, your honor, not vengeance and reprisal, as in some lands. It is this revered tradition of mercy that I ask your honor to remember while you ponder my fate.

WASHINGTON STAR
26 March 1973

McCord's Loyalty Began to Fade Fast

By JEREMIAH O'LEARY
Star-News Staff Writer

Disillusionment set in early for James W. McCord with the woe that befell him after the Watergate burglary.

Several times after his arrest in June, according to sources close to the political controversy, the 53-year-old former security chief for President Nixon's re-election committee was on the verge of blowing the whistle on the whole operation.

He now seems on the verge of telling everything he knows about who ordered the burglary and bugging of Democratic National Committee headquarters to U.S. District Judge John J. Sirica.

McCord, a silent type of man with a solid background as an Army officer and as an agent for the FBI and CIA, kept his thoughts largely to himself after he and his four-man "Cuban contingent" were caught inside the Watergate offices of the Democratic party.

But those who were in contact with him say that it became increasingly apparent that McCord was feeling abandoned, betrayed and expected to pay an unacceptable price for loyalty to his preceptors.

"He came very, very close to speaking up several times during the investigation and trial," said one source. "It bothered him that nobody came forward to offer him a deal."

The picture painted of McCord by this source was that of a man who had done what he was told to do and had gotten caught. But the source said McCord evidently anticipated he would get more assurances than he did of security for his family or something solid in the way of promises for a fairly short prison term.

It obviously bothered him, from his own words in the bombshell letter to Judge Sirica, that there were others involved in the conspiracy who were never implicated publicly. He and the four Miami men, along with defendants E. Howard Hunt and G. Gordon Liddy, were being asked to face punishment alone and in what he considered an atmosphere of pressure and perjury. Moreover, McCord felt he could not trust either the U.S. Attorney's Office or the FBI to hear his story.

McCord, according to insiders, felt badly about implica-

tions that the Watergate affair may have been a CIA operation and was troubled about possible harm to his former agency's reputation. In addition, as he suggested in his letter to the judge, he felt compassion for the four Miami men who thought they were on a mission for the CIA and found themselves at the center of a major domestic political or a major domestic political

McCord evidently expected the chief prosecutor, Asst. U.S. Atty. Earl J. Silbert to approach him during the grand jury and pre-trial phases of the case with some kind of deal.

Those who have talked with McCord say that he seemed to anticipate that he would be offered a prosecution recommendation for an easier sentence in return for some measure of cooperation from him. These sources say no such offer was made by the prosecution.

Liddy, former finance counsel to the Nixon campaign committee, is likened by those close to him since his arrest as a "soldier" who is not wavering in his determination to take his punishment: a \$40,000 fine and from 6 to 20 years in prison. Liddy was silent, even at his sentencing.

Hunt, no longer the swash-buckling former CIA agent and White House operative, had opted to plead guilty, along with the Miami four, but in the end he pleaded for mercy because he had lost "my wife, my job, my reputation."

Unlike Liddy, Hunt and McCord, who supposedly went into the Watergate operation with full awareness of what they were doing and why, the Miami four are said by associates to have never known precisely why they were on the Watergate caper.

Bernard Barker, Frank Sturgis, Eugenio R. Martinez and Virgilio R. Gonzalez are described as men who knew Hunt from the Bay of Pigs era in Florida when they were active in the anti-Castro movement, and knew Hunt as a government man, a CIA agent. They were accustomed to clandestine operations and may even have considered their act of burglary was a patriotic deed. They had broken the law for the U.S. government before. McCord's letter unequivocally states they were deceived into thinking the Watergate operation was

for the CIA.

It is understood that the four seem to accept that they are going to remain in jail and they are prepared to do so as long as their families are taken care of. Those who have talked with them say their state of mind has not changed since their arrest.

They are not expected to break their silence until they see that the promises made to them cannot be fulfilled, but insiders say they really don't have much to offer in return for leniency. While McCord may know of others in the Watergate operation and may cite sources of pressure and persons who allegedly committed perjury, the four Miami men are said to know only Hunt.

Henry B. Rothblatt, attorney for the four Miami men, said today he has not seen them for about two weeks and that there are no plans for seeking a court hearing to show that they were pressured or offered either money or clemency to plead guilty.

Rothblatt held to the opinion that his clients may have been offered inducements to remain silent about their role and contacts in the Watergate affair, but he said he had no true knowledge that such offers were made. The previously mentioned figure of \$1,000 a month for each of the four for as long as they remained in prison, Rothblatt said, was probably just "a figure pulled out of the hat."

He agreed that their only contact was probably with Hunt and speculated that Hunt might have encouraged them to believe that they and their families "would be taken care of" when the furor over the case died down. He said he knew of no secret meetings in Arlington Towers at the time of the trial and said it was well known that both he and Barker had taken apartments there during that period.

"They have not approached me about re-opening the case on the grounds of any obstruction of justice, such as an offer of money or reduced sentences later, and I have not approached them," Rothblatt said.

He characterized published reports that said that he did intend to re-enter the case and seek a hearing as being "an out-of-date version of an off-the-record discussion" he had with reporters. Rothblatt said he had discussed this possi-

bility weeks ago but that it became a dead issue when his clients decided to plead guilty and take their sentences.

Whether the four Miami men will continue to maintain their silence remains to be seen, Rothblatt said, adding that they don't know much more about the Watergate case than their involvement at the Hunt-McCord level.

McCord was said to have seen little of the Miami group except for the actual operation of planning the Watergate break-in and then carrying it out.

WASHINGTON POST
27 March 1973

McCord Charges Backed

By Bob Woodward
and Carl Bernstein
Washington Post Staff Writers

Senate sources confirmed yesterday that James W. McCord Jr. has told investigators that two high aides of President Nixon had advance knowledge of the Watergate bugging. A Republican source described McCord's allegations as "convincing, disturbing and supported by some documentation."

That source said McCord had described the nature of the documentation but had not yet shown it to investigators.

The two officials named by McCord were presidential counsel John W. Dean III and former White House aide Jeb Stuart Magruder, who was first acting director and then the No. 2 man in Mr. Nixon's re-election drive.

Watergate conspirator McCord, formerly the security chief for Mr. Nixon's re-election committee, made the charges against Dean and Magruder in long sessions Friday and Saturday with investigators from the Senate select committee probing the Watergate bugging and other alleged acts of political espionage and sabotage.

McCord implicated Dean in the planning of the bugging and indicated that Magruder committed perjury at the Watergate trial when he said he had no knowledge of the bugging before the June 17 arrests at the Democratic Watergate headquarters, the sources said.

President Nixon, who last summer assigned Dean to conduct a White House investigation of the Watergate bugging, personally telephoned his

counsel yesterday and expressed "absolute and total confidence" in Dean, according to Presidential press secretary Ronald L. Ziegler.

"Following that conversation," Ziegler said, "and based on that conversation, I will again flatly deny any prior knowledge on the part of Mr. Dean regarding the Watergate matter."

Magruder, who served as the deputy to Mr. Nixon's campaign manager, former Attorney General John N. Mitchell, had already denied McCord's allegations.

In other developments yesterday:

- Sen. Lowell P. Weicker (R-Conn.), one of the seven members of the Senate Watergate committee, said he has established independently that White House aides were involved in the bugging, as well as other sabotage and espionage activities against the Democrats. Weicker said he has no evidence that President Nixon condoned such "illegal practices that demean the American process," but the senator expressed "a thorough disgust with the men around the President."

- Assistant United States Attorney Earl J. Silbert said last night the government had offered to drop most of the charges against McCord in return for full cooperation in prosecution of the case. Silbert said the offer was made before the Nov. 7 election and McCord turned it down. In addition, Silbert said he would issue a full statement on the negotiations with McCord today.

- During a closed-door meeting, members of the Senate's Watergate investigating committee were briefed on McCord's information and voted to allow live television coverage of the committee's upcoming hearings. Sen. Sam J. Ervin, chairman of the select committee, said the hearings definitely will begin before May and other members expressed hope they will begin in two or three weeks with McCord as one of the lead witnesses.

- E. Howard Hunt Jr., another Watergate conspirator, was reportedly considering providing information about the bugging, but will refuse to voluntarily talk to the Senate committee because of a fear of leaks to the press, according to a source close to Hunt.

- G. Gordon Liddy, who the government alleged was the "boss" of the Watergate operation, took the Fifth Amendment 20 times yesterday as he appeared before the federal grand jury which yesterday reopened its investigation and asked him about the possible involvement of others.

- Washington Star-News Staff Writer Mary McGrory said that she encountered McCord yesterday coming out of a Cleveland Park apartment

and he confirmed telling Senate investigators that Dean and Magruder had previous knowledge of the bugging.

- White House press secretary Ziegler confirmed a report that Dean called acting FBI director L. Patrick Gray III shortly after Gray told a Senate hearing that Dean had "probably" lied to FBI agents in the Watergate investigation. Gray refused Dean's request that he "correct" his statement, Ziegler said. He said President Nixon still supports Gray's nomination, which appears to be in grave danger of being rejected.

- Attorney General Richard G. Kleindienst said McCord's allegations have contained "nothing new so far that was not covered by our investigation" of the Watergate bugging. "I'm just as certain as I can be that Magruder and Dean didn't know anything about it," Kleindienst said. A Justice Department spokesman said the FBI received no leads suggesting involvement by Dean in the bugging, and that Magruder's role in the campaign had been scrutinized by the FBI and grand jury without any criminal charges being brought against him.

- It was learned that members of the Senate Republican leadership have advised the President to permit Dean to testify before the select investigating committee at public hearings. The President has said that he will not let Dean or any other present or former White House aide appear before any congressional committee.

Sen. Weicker's comments appeared to reflect increasing unhappiness among Senate Republicans about the White House. Another GOP senator, who asked not to be named, described the recent Watergate disclosures as "absolutely appalling" and said "the President would be well advised to clean out his house."

Weicker, who has been conducting his own inquiry into the Watergate case and related matters since his appointment to the select committee, said his preliminary information alone is sufficient "to come forth with some sort of sensational disclosures."

Senate sources familiar with Weicker's inquiry said he has developed "pretty hard evidence" on White House involvement in the bugging and other undercover activities.

In comments to reporters yesterday, Weicker observed that specific violation of the law "is not the only issue involved, although some people in the administration would like to have it drawn that way, as narrowly as possible." He added: "It's just as bad in my book for certain persons at the presidential level to condone illegal practices . . . I don't give a damn if there's a law on the books against it or

"Does the Watergate lead directly to the President?" Weicker was asked. He replied: "Well, I am not prepared to go ahead and name any names unless I have the facts to back it up. Do I think that I will have the facts and will there be other names? The answer is yes."

"Other names . . . in the White House?" the senator was asked. "That's right," he replied. "Do I have a broader picture that I am trying to substantiate? The answer is yes. Do I think it goes beyond Watergate? The answer is yes."

Somebody had to start it. Somebody had to abet it. Mr. Hunt and Mr. Liddy and Mr. McCord, et al, didn't just get together in a barroom one night and decide they were going to do something gratuitous for the Republican Party.

Two sources familiar with what McCord told Senate investigators confirmed elements of a Los Angeles Times' account of McCord's statements, including allegations that:

- Other persons, probably higher up in the White House and the Nixon campaign organization, also had knowledge of the bugging and would later be named by McCord.

- During his testimony at the Watergate trial, Magruder should have told of Dean's and his own involvement.

- Watergate conspirator Hunt persuaded the four defendants from Miami to follow his lead and plead guilty at the Watergate trial.

- McCord himself was pressured to plead guilty, but did not.

If McCord's allegations are true, they contradict testimony at the trial by Magruder, who said he authorized the payment of about \$235,000 to Watergate conspirator Liddy. Magruder said the money was only to be used for "legal" and "ethical" security operations.

Magruder also testified that Dean recommended Liddy for the job as general counsel to the Nixon committee, emphasizing that Dean had noted that Liddy, an ex-FBI agent, would be useful to assist in any "intelligence-gathering" problems.

McCord met with the Senate Watergate committee's chief counsel, Samuel Dash, after a court hearing Friday during which McCord said in a letter that he had knowledge of "perjury," "political pressure" and the involvement of others in the Watergate.

DeVan L. Shumway, a spokesman for the Committee for the Re-election of the President, said yesterday that the leaks from the Senate investigating committee "are irresponsible and almost unforgivable."

"It is a star chamber proceeding in which innocent persons are charged," Shumway said. He said it is

"unimaginable" that the information was leaked to the press without the knowledge of Dash. Dash has denied leaking the information.

At a press conference Sunday, Dash announced that he and McCord had met in two long tape-recorded sessions Friday and Saturday, during which McCord "named names" and began "supplying a full and honest account" of the bugging operation.

After yesterday's meeting of the select Watergate investigating committee, Sen. Howard Baker Jr., the ranking Republican on the panel, said the members were convinced that the leak did not come from the committee or its staff. Baker said Dash had called the press conference to honor McCord's request that his cooperation with the committee be announced.

Meanwhile, at the U.S. District Court building here yesterday, Watergate conspirator Liddy invoked the Fifth Amendment 20 times in testimony before the grand jury.

Liddy, who has been sentenced to six years and eight months for his role in the break-in and bugging of the Democratic Party's Watergate headquarters, was called before the federal grand jury investigating the incident and questioned by federal prosecutors about the possible involvement of others, according to the official minutes of the one-hour, 15-minute session.

Principal Assistant United States Attorney Earl J. Silbert, the chief prosecutor in the Watergate trial, refused to comment when asked whether Dean would be called before the grand jury or whether Magruder, who testified prior to the trial, would be called back.

In a related development, Daniel E. Schultz, the attorney for the four Miami defendants who pleaded guilty at the Watergate trial, issued a statement denying a story in Sunday's Washington Post.

The story quoted informed sources as saying that New York attorney Henry B. Rothblatt, formerly the attorney for the four men, planned to re-enter the case to seek a new trial on grounds that they were pressured to plead guilty.

"We have no desire to have Mr. Rothblatt re-enter this case on our behalf," according to the statement released by the four men, Bernard L. Barker, Frank A. Sturgis, Eugenio R. Martinez and Virgilio Gonzalez.

The statement said that "no such motion as was described in the article . . . is being contemplated." The statement did not deny that the four men were pressured to plead guilty.

It is known that Rothblatt visited his former clients at least twice after Jan. 12 when he was fired as their attorney because he would not let them plead guilty.

THE ECONOMIST MARCH 31, 1973

Wrong turning at the Watergate

Washington, DC

The moment may be near for President Nixon to unleash another of those salvos of decisions and innovations with which, from time to time during his Presidency, he has reasserted and shored up his dominance in American politics. Too many things are going wrong at once for him to be able comfortably to float with the current much longer. Prices seem out of hand and the incomes policy has lost its plausibility. The curious relationship of the first Nixon Administration with the International Telephone and Telegraph Corporation, a matter which might by now have been forgotten, is floating on the surface again because of the investigating labours of two congressional committees. These, incidentally, have caught some of Mr Nixon's former servants in apparent falsehoods.

Mr L. Patrick Gray, the President's nominee to be head of the Federal Bureau of Investigation, runs into worse and worse weather in the hearings on his appointment by the Senate Judiciary Committee. By now his confirmation looks improbable, and the hearings are also having some side-effects. Mr Gray put the White House in a difficulty last week when the committee was examining his judgment in trusting the counsel to the President, Mr John Dean, to monitor the FBI investigation of the bugging of the Democratic party offices in the Watergate building last June. One of the men since convicted, Mr Howard Hunt, turned out to have had an office in the White House at the time. Mr Dean denied to Mr Gray that he knew whether this was so or not, at a time when Mr Dean had seen to it that Mr Hunt's office was cleared out, his safe forced and his papers and effects put in Mr Dean's office for safe-keeping. Under questioning last week, Mr Gray conceded that Mr Dean had "probably" told him a lie. President Nixon's spokesman was in the undignified position on Monday of having to defend the reputation of the White House counsel against Mr Gray, while reaffirming the President's support for Mr Gray's nomination to be head of the country's chief law enforcement agency.

Another side-effect of the Gray hearings was that one of the men convicted in the Watergate trial, Mr John McCord, read about them and noted that the FBI last summer was passing the minutes of its Watergate interrogations directly to Mr Dean, who was passing them straight on to President Nixon's re-election organisation. Mr McCord drew the conclusion that the foxes were in charge of the henhouse. As the day approached when he was to receive his sentence, he was pondering whether its severity might not be mitigated if he offered to disclose

matters on which he had been silent at his trial. Mr McCord wrote to the judge asking to talk to him alone, because, he said:

I cannot feel confident in talking with an FBI agent, in testifying before a grand jury whose US attorneys work for the Department of Justice, or in talking with other government representatives.

The judge, Mr John Sirica, read out Mr McCord's letter in open court and put off sentencing him till Mr McCord had had a chance to talk. The letter offered answers to questions which Judge Sirica had asked in vain at the trial. The defendants, said Mr McCord, had been put under "political pressure" to shut up and plead guilty. Perjury was committed at the trial. Witnesses who could have identified other persons involved in the Watergate break-in did not do so. Mr McCord went off on bail, and during the week-end talked at length to the staff director of Senator Ervin's committee of inquiry into last year's campaign practices. Mr McCord, a seasoned former agent of the Central Intelligence Agency, now 54, who signed up under contract to do security and intelligence work for the Nixon campaign organisation, has undoubtedly something to tell, and it is likely to extend beyond the Watergate operation to some of the other unconventional activities that marked the campaign. But he does not look like a prime mover and his knowledge is probably limited.

A more important person, and probably better informed, is Mr Gordon Liddy, not so long ago an ambitious, busy lawyer with a record of service in the Treasury and the White House, who was chief law officer to the President's re-election committee and might now have been high in government office if the Watergate raid had not gone wrong. Like Mr McCord, Mr Liddy refused to plead guilty. Unlike him, he has persisted in refusing to talk, and Judge Sirica rewarded him with a severe, not to say savage, sentence of 20 years in prison, of which he is obliged to serve an actual minimum of six years and eight months, together with a fine of \$40,000. The idea behind the sentence, said the judge, had nothing to do with rehabilitation: it was to punish Mr Liddy.

From Mr Liddy the judge turned to the remaining five defendants, those who had pleaded guilty, and gave them provisional sentences of enormous extent—four of 40 years and one of 35—with an admonition to co-operate in telling what they know before he has them back in three months' time for their definitive sentences.

Four of these five are not likely to know much: they are from Miami, have been involved in the affairs of the Cuban emigrés from the Bay of

Pigs onward, and seem to have thought that they were working for the CIA to prevent a take-over of the United States by friends of Mr Castro. The fifth, Mr Howard Hunt, may know more. On Wednesday he was granted immunity from further prosecution. Now, unless he testifies, he risks charges of contempt.

Judge Sirica, who used to be thought of as a somewhat unadventurous judicial luminary, has been a great disappointment to the political authorities. His refusal to be hoodwinked and made a fool of at the trial was evidently not anticipated, and he has now put all but one of the defendants under heavy pressure to disclose, to the extent that they know, by whom and as part of what operation they were hired and directed.

Somehow it must have been possible for the damage of the Watergate affair to have been contained more effectively than it has been: but how? Evidently a campaign of disruption was embarked upon against the Democrats at a time when President Nixon's advisers were still not quite sure of his re-election. That the Watergate bugging was only a part of it is well established. Undercover activities require undercover financing, and the consequent general impression of contempt for law and for propriety is poisonous. How much President Nixon himself knew about it is totally uncertain; it is only plain that the poison went high up in the Administration's hierarchy. Suppose that, when the arrest of the team in the Watergate building brought to light that something improper was going on, Mr Nixon had decided to confide in the public, had admitted a complex of irregularities committed in his name and had announced some disciplinary dismissals, promising that nothing of the kind would happen again. The immediate drama would have been fiercer, but he would have survived and he would have been re-elected.

For some reason not yet clear, Mr Nixon decided not to take that course but to treat the Watergate affair as an isolated aberration due to the stupidity of a few small men exceeding their instructions. It was not a position that could be sustained. As a result, his servants have been drawn into a series of evasive denials leading to downright untruths.

Had Mr Nixon taken the other course nine months ago, the Democrats might have made a little more campaign capital at the time. But now, in the wake of their pathetic defeat in the presidential contest, they are getting a new lease of life, smelling a new battle on more favourable terrain and even drawing unity from it. At the same time a number of conflicts between the executive branch and Congress are coming to a head and Mr Nixon needs all the congressional allies he can get. The spirit of his natural allies in Congress, both Republicans and conservative Democrats, is being soured by the poison spreading from disclosures of unlawful campaign practices, corrupt money-raising and indis-

erect connections between some persons in or formerly in the Administration and some business concerns, together with the demeaning lies and evasions which the existence of such things makes necessary. It has all happened terribly quickly. As next year's elections draw near and unless something changes, many Republicans in Congress will begin to run for cover.

WASHINGTON POST
29 March 1973

Mitchell Is Linked To Bugging Plans

By Bob Woodward and Carl Bernstein
Washington Post Staff Writers

James W. McCord Jr. testified under oath yesterday that he was told by his principal superior in the Watergate conspiracy that former Attorney General John N. Mitchell had personally approved plans to bug the Democrats' headquarters, according to Senate sources.

McCord testified that his coconspirator and former White House aide, G. Gordon Liddy, told him that Mitchell had approved the plans and budget for the bugging while Mitchell was still serving as attorney general in February, 1972, the sources said.

According to the sources, McCord indicated that he knew of additional illegal wiretaps but would not discuss them with the Senate Watergate committee unless he is granted immunity from further prosecution.

McCord also said that he had been told by Liddy and former White House consultant E. Howard Hunt Jr., another conspirator, that presidential counsel John W. Dean III and former White House assistant Jeb Stuart Magruder had advance knowledge of the bugging operation, according to the sources.

In addition, the sources reported, McCord testified that he received "second-hand information" that Charles W. Colson, then special counsel to President Nixon, knew too that the Democrats' Watergate headquarters were to be placed under illegal electronic surveillance.

Colson has denied any advance knowledge of the bugging.

McCord's testimony was delivered in a 4½-hour, closed-door meeting of the Senate's select committee investigating the Watergate bugging and related acts of political espionage and sabotage. It came as Hunt was appearing before a grand jury at the same time. (Details on Page A22).

McCord is scheduled to appear again before the Senate committee next Wednesday, presumably when the committee will vote whether to grant him immunity from further prosecution.

One Senate source said that McCord's testimony about the alleged involvement of the high presidential aides was hearsay because his knowledge came from Liddy and Hunt.

Another of the sources said that McCord was very positive about the information he received from Liddy about Mitchell. "There was complete communication between McCord and Liddy about the subject," the source said.

That source, however, cautioned that McCord's information was not sufficient to prove illegal involvement of others in the celebrated conspiracy.

The sources said that McCord, the former security coordinator of the Committee for the Re-election of the President, provided leads in his testimony that could pro-

To conclude that President Nixon has resigned himself to the adverse course of domestic politics would almost certainly be an error, as Mr David Broder pointed out this week in a commentary in the Washington Post. Mr Nixon has powers and opportunities of action available to nobody else. He can change course, introduce innovations and steal the opposition's cloths,

as he has done before. He can even clean house in an ostentatious manner, if he chooses. The alternative, to sit tight, defying Congress and where necessary ignoring the courts, is practicable for him as a second-term President, but it would have unfortunate effects which he, without doubt, can see as clearly as anyone.

vide additional information about alleged involvement of those presidential aides.

In addition, the sources said that McCord had indicated that he could provide other substantiation of his charges.

The sources described the involvement of Mitchell, Dean and Magruder—described by McCord—as "active," in the words of one, "meaning that they not only knew about it but were involved in aspects of it."

DeVan L. Shumway, the press spokesman for the Committee for the Re-election of the President, also denied last night, as he has in the past, that any of the officials named by McCord had any advance knowledge of the Watergate bugging.

"Well, I think that again that these are allegations that are being leaked out of a committee without anyone being there to face his accusers and that these allegations are false, patently false. I think we've made that clear in the past," Shumway said.

Shumway said the allegations have all been publicly denied previously by Mitchell, Magruder, Dean and Colson and "I cannot believe these allegations to be anywhere near the truth." Shumway said that the allegations were not surprising "considering the circumstances under which they were made."

Asked by a reporter if by circumstances he meant the fact that McCord is facing a prison sentence, Shumway said: "Yes, that would be one of the circumstances."

Mitchell previously has denied any advance knowledge of the Watergate bugging. He could not be reached for comment last night.

Commenting on the 4½-hour session with McCord, Sen. Howard H. Baker (R-Tenn.), the acting chairman of yesterday's meeting, said that McCord was cooperative and pro-

vided "significant information... covering a lot of territory."

Hunt and McCord—both former CIA employees—have been implicated in apparently unprecedented spying and intelligence gathering operations conducted against radical political movements, the news media and the Democratic Party.

Included are disruptive activities aimed at Sen. Edmund S. Muskie (D-Maine), the initial frontrunner for his party's presidential nomination; spying and a bugging attempt against Sen. George S. McGovern (D-S.D.), the eventual nominee; seeking out information on the personal life of Sen. Edward M. Kennedy; an alleged attempt to discredit ITT lobbyist Dita Beard's controversial memo linking the company's antitrust settlement with a contribution for the Republican convention; an investigation of syndicated columnist Jack Anderson; investigations of leaks to the news media that, according to Time Magazine, included tapping reporters' telephones; and infiltration of radical student groups and the Vietnam Veterans Against the War.

The latest round of Watergate developments began last Friday when McCord, Hunt and the five other Watergate conspirators were scheduled to be sentenced by Chief U.S. District Judge John J. Sirica.

In open court, Sirica read a letter he had received from McCord who said he knew of "political pressure," "perjury" and the involvement of others in the Watergate.

That afternoon and again on Saturday afternoon, McCord met voluntarily in secret sessions with Samuel Dash, the chief counsel of the Senate's Watergate investigating committee. Dash then announced

on Sunday at an unusual press conference that McCord had "named names" of others who allegedly had advance knowledge of the bugging of the Democrats' Watergate headquarters, but Nash refused to disclose the names.

On Monday, The Los Angeles Times first reported, and other Senate sources later confirmed, that McCord had named presidential counsel Dean and former White House aide Magruder as having advance knowledge of the bugging.

McCord then asked that he be allowed to testify under oath to the seven members of the Senate Watergate committee, and yesterday's session was arranged.

Magruder again denied to The Washington Post last night

that he had any advance information about the Watergate bugging. Asked about reports from some of his friends that Magruder might be made a "sacrificial lamb," in the Watergate case, Magruder answered:

"You mean by the White House? I have absolutely no reason to suspect that. I'm not worried."

The four persons named by McCord were all high-ranking presidential advisers or assistants during the first four years of the Nixon administration.

Mitchell was the principal architect of Mr. Nixon's successful 1968 campaign strategy and resigned as attorney general to serve as the President's campaign manager in the 1972 election. He then resigned as campaign manager

two weeks after the Watergate bugging, citing his wife's demands that he leave politics as the reason.

Dean, the director of all White House legal matters, reports directly to President Nixon and H. R. Haldeman, the White House chief of staff. He is the only one of those named by McCord who still holds a White House or cabinet position.

It was Dean who recommended to Magruder that Liddy be hired as general counsel of the Committee for the Re-Election of the President, according to Magruder's testimony at the Watergate trial.

Magruder, a former key assistant to Haldeman, left the White House to become the

interim manager of President Nixon's re-election campaign until Mitchell took over as campaign manager. Magruder then was Mitchell's principal deputy. After serving as director of Mr. Nixon's Inaugural Committee, Magruder was named to a sub-cabinet post in the Commerce Department by the President.

Colson, who recently left the White House to enter private law practice, was special counsel to the President, reporting directly to Mr. Nixon and to Haldeman. Colson recommended that another of the men subsequently convicted in the Watergate conspiracy, Hunt, be hired as a White House consultant. Hunt worked under Colson for at least part of his White House tenure.

WASHINGTON POST
29 March 1973

Hunt, Granted Immunity, Talks to Grand Jury

By Eugene L. Meyer
Washington Post Staff Writer

Watergate conspirator E. Howard Hunt Jr. testified before a federal grand jury for four hours yesterday amid indications that he is cooperating by answering questions asked by government attorneys.

Hunt at first invoked the Fifth Amendment in answer to six questions. He was then taken before Chief U.S. District Judge John J. Sirica, who granted him immunity from further prosecution and sent him back to the grand jury.

It could not be learned if Hunt's testimony pointed to the involvement of others in the Watergate affair or other alleged acts of political espionage and sabotage against the Democrats in the 1972 presidential campaign.

Hunt also testified for about 80 minutes Tuesday afternoon but principal Assistant U.S. Attorney Earl J. Silbert declined then, as he did yesterday.

NEW YORK TIMES
29 March 1973

A PLOT IS FEARED BY MRS. MITCHELL

Mrs. John N. Mitchell said on Tuesday that she thought somebody was trying to make her husband "the goat" for the Watergate scandal, and that she was not going to let that happen.

"I fear for my husband," the former Attorney General's wife said. "I'm really scared. I have a definite reason. I can't tell you why. But they're not going to pin anything on him. I won't let them, and I don't give a damn who gets hurt. I can name names."

Mrs. Mitchell telephoned The

day, to give any idea of what Hunt was telling the grand jury. Hunt is to resume testifying before the grand jury today.

A source close to Hunt said yesterday that the 55-year-old former CIA agent may be willing to provide information about political spying beyond the Watergate. To date the prosecution has taken the position that what spying and disruption it has heard of does not violate any federal law.

Hunt has been implicated in spying operations directed against the two leading contenders for the Democratic presidential nomination last year, Sen. Edmund S. Muskie (D-Maine) and Sen. George McGovern (D-S.Dak.).

In addition, Hunt was involved in gathering information on the personal life of Sen. Edward M. Kennedy (D-Mass.). FBI files also show that Hunt met secretly with ITT lobbyist Dita Beard last March at the height of the controversy over the govern-

New York Times. She seemed to have worked out exactly what she wanted to say. She said that she phoned because she was frightened. She would not say of whom.

"If you hear that I'm sick or can't talk, please, please, get your reporters out to find me," she said. "Somebody might try to shut me up."

She said that she felt yesterday just as she did last June when she was thrown to the floor and stuck with a hypodermic needle in Newport Beach, Calif., during what had been a telephone conversation with a reporter. Mr. Mitchell was in California for campaign activities.

That incident occurred the weekend before Mrs. Mitchell told a reporter that she had given her husband an ultimatum to resign as head of President Nixon's re-election campaign or lose her.

ment's settlement of an anti-trust case with the giant conglomerate.

Prior to granting immunity to Hunt, yesterday, Sirica asked Silbert to have the court stenographer read the questions Hunt refused to answer on the grounds that he might incriminate himself.

A reading of the grand jury minutes showed that Silbert had asked Hunt if anyone else had prior knowledge of the June 17 break-in at the Democratic National Committee's Watergate headquarters besides the seven Watergate defendants; to whom logs of wiretapped conversations were given; where Hunt got \$8,500 that he gave to a lawyer only hours after the police arrested five men inside the Watergate; whether Hunt had received more than the \$8,500 and whether he had employed anyone for political espionage in addition to Thomas Gregory, a college student Hunt paid to spy on Muskie and McGovern headquarters.

Sirica also announced yes-

Mrs. Mitchell has accused Steve King, a security official, of throwing her to the floor, kicking her, and jerking the telephone cord from the wall.

Mr. King was later elevated to head of security for the Committee for the Re-election of the President after his boss, James W. McCord Jr., the former security chief, was arrested in the bugging attempt at Democratic National Headquarters.

"King and [Lea] Jablonsky called [Herbert] Kalmbach that day," Mrs. Mitchell said yesterday. "Kalmbach is the President's personal lawyer. Has anyone ever explained that?" Lea Jablonsky was then Mrs. Mitchell's secretary.

It was reportedly Mr. Kalmbach who took Mrs. Mitchell to the hospital in Newport Beach a short time after the incident.

Mrs. Mitchell said that it was the first time she had named Mr. Kalmbach, President Nixon's

terday that he "sees no need to go forward" with a private conference with convicted Watergate defendant James W. McCord Jr. since McCord will be called by the grand jury and is giving information to Senate select committee investigating the Watergate affair.

Hunt, whose final sentence has been deferred by Sirica to see if Hunt cooperates by giving information, faces a maximum possible sentence of 35 years in jail and a \$40,000 fine. G. Gordon Liddy, the only one of the seven Watergate defendants to receive a final sentence, must serve a minimum of six years and eight months in jail and pay a fine of \$40,000.

Hunt, who was taken to court from D.C. jail in handcuffs, was apparently returned there last night to the quarters he shares with the five other Watergate conspirators who are in jail. A jail official said he had "no instructions" to find new quarters for Hunt.

on's lawyer and a Republican fund raiser, and that "he was very much involved." She said, too, that F.B.I. agents were present at the time but would not identify them.

"McCord probably bugged our apartment," she said. "In fact, I'm sure of that. We were bugged in Rye for sure, and these men, not the F.B.I., came with their little gadgets and found them. That was some time in 1968."

Mr. King, who is now a special assistant to Secretary of Agriculture Earl L. Butz, said he stood by his earlier comment about Mrs. Mitchell's allegations. "I have denied them, generally," he said. Efforts to reach Mr. Mitchell and Mr. Kalmbach were unsuccessful.

NEW YORK TIMES

4 April 1973

Liddy's Jail Term Raised for Defiance Of Watergate Jury

By WALTER RUGABER

Special to The New York Times

WASHINGTON, April 3—G. Gordon Liddy, a key participant in the Watergate conspiracy, was found in contempt of court today and sentenced to up to 18 months for refusing to answer a grand jury's questions about the case.

Liddy, who was convicted in January of spying on the Democrats last year, balked at an order to testify that was issued Friday by Chief John J. Sirica of the Federal District Court here.

Among more than 30 questions Liddy declined to answer were several dealing with whether "any other persons" had prior knowledge of the raid on the Watergate offices of the Democratic National Committee last June.

Liddy, former counsel to the Finance Committee to Re-elect the President, was described by the Government during his trial as the "boss" and as the "mastermind" of the Watergate operation. Today's contempt penalty was added to the term of 6 years, 8 months to 20 years he had already received.

Liddy has been described as the source of many of the statements delivered secretly to a Senate committee last week by James W. McCord Jr., McCord, who was also convicted at the trial in January, is said to have cited earlier confidences by Liddy in mentioning to the Senators the names of a number of ranking advisers to President Nixon.

There were the following other developments in the Watergate affair today:

¶The seven-member Senate panel, moving to stop further leaks of testimony, canceled a closed session with McCord and announced that until he appeared publicly, only its staff would hear his allegations.

¶Senator Lowell P. Weicker Jr., a Connecticut Republican who is a member of the committee, said H. R. Haldeman, the White House chief of staff, should accept responsibility for the scandal and offer his resignation.

¶McCord, who testified privately in civil litigation related to the Watergate affair, was scheduled to appear Thursday before the grand jury that sought to question Liddy.

Liddy made several appearances before the 23-member grand jury last week and was granted immunity from further prosecution by Judge Sirica after invoking his Fifth Amend-

ment right to avoid self-incrimination.

Under Federal law, the immunity grant strips a witness of his constitutional protection and compels him to answer questions. But Liddy cited his pending appeal of last January's conviction and remained mute.

Judge Sirica sent Liddy to the District of Columbia jail until he was willing to testify, providing that the sentence would end with the term of the grand jury or in 18 months, whichever came first.

The usual term for a grand jury here is 18 months, and the panel investigating the Watergate case is scheduled to sit for nine more months. Its life can be extended.

Thus, continued silence by Liddy will mean at least nine extra months in prison, and an extension of the current grand jury or defiance of a new panel could mean a greater penalty.

Judge Sirica stayed execution of Liddy's earlier sentence "to give meaning and coercive impact to the court's contempt powers in the interest of protecting the court's integrity."

The longer sentence will resume after the end of Liddy's contempt term, Judge Sirica ordered.

The judge's requirement that Liddy's contempt sentence be served in the district jail rather than in the more amenable Federal Correctional Institution at Danbury, Conn., was viewed as applying extra pressure. Liddy has lost weight and has engaged in at least one fist fight during his stay in the overcrowded city institution.

Earlier, he won Judge Sirica's recommendation that he go to Danbury.

The grand jury questions Liddy refused to answer were read at today's contempt proceedings. They included several dealing with "logs" kept by eavesdroppers on conversations heard on the Democratic party telephones.

He refused to say whether he was familiar with the logs or whether he had received any of them from Alfred C. Baldwin 3d, a Government witness who compiled them and on one occasion took them to the offices of the President's political organization.

McCord is understood to have informed the Senate's Watergate committee that he had delivered the wiretapping information to Liddy and that he had seen copies of it on Liddy's secretary's desk.

Liddy was also asked during the grand jury proceedings whether anyone not already convicted had "participated in any way" in the bugging, whether anyone had sought his "advice or help" on it, and whether he knew its purposes.

The Senate committee's decision not to hear secret testimony came a day after the White House press secretary charged that the panel had been plagued by "irresponsible leaks of tidal wave proportions."

The panel, under Senator Sam J. Ervin Jr., Democrat of North Carolina, met for less than half an hour at the Cap-

itol. No specific measures to end the leaks were disclosed, but Mr. Ervin said he had "re-minded the committee" of the importance of confidentiality.

He also told reporters after the session that he thought the leaks had come from McCord and his lawyers.

One of McCord's attorneys, Bernard Fensterwald of Washington, denied this and said he and his client had been "equally concerned" about the disclosures. Some of the disclosures were accurate, and some were "completely inaccurate," he added.

In canceling tomorrow's secret session, Senator Ervin said the panel "does not anticipate" more closed meetings with McCord "or any other individual from whom the committee may seek information."

"It is commonly expected in investigations of this kind that all individuals will cooperate fully with the investigative staff in preparation for public hearings," the Senator said. The staff, he added, is "relatively

small" and presumably less leak-prone.

Mr. Ervin was asked how soon the committee would begin public hearings with McCord and others. His answer was, "soon after about 10 days."

Senator Weicker said at a breakfast meeting with reporters that he had no evidence that Mr. Haldeman had participated in or directly ordered any specific illegal acts.

But he asserted that the White House official had been aware of "a disruption crew" at the Committee for the Re-election of the President during last year's campaign.

"I think clearly he has to accept responsibility as chief of staff," Mr. Weicker said. Mr. Haldeman oversaw "the personnel and the policies" of the committee, the Senator declared, and it would be "quite proper" for him to offer to resign.

The White House declined comment on Mr. Weicker's suggestion.

NEW YORK TIMES

4 April 1973

Trial by Leak and Hearsay

By James Reston

WASHINGTON, April 3—The White House is complaining bitterly these days that members of its staff are being smeared by leaks and gossip in the Watergate case, and there is obviously something to the complaint.

It would, of course, be easier to sympathize if the White House had been as concerned with the civil rights of the people who were bugged and burglarized at the Watergate as it is about the civil rights of its own people, but even so, their people are entitled to fair treatment regardless of whether they are fair to their suspicious accusers.

The leaks have been coming either from unidentified members of the Senate Watergate investigating committee, or their aides, or from lawyers appearing before the committee, who are passing on unsubstantiated testimony from James W. McCord Jr., one of the conspirators, who claims his information came from G. Gordon Liddy and E. Howard Hunt, two other men convicted in the Watergate conspiracy.

This is hearsay "evidence" at least three times removed. And yet, by constant repetition, it harms the reputations of some of President Nixon's closest associates because it amounts to the charge that they were in on the Watergate conspiracy and thus broke their oath of office.

Twenty years ago around here, this trial by leak and gossip used to be called "McCarthyism" and the word has now gone into most standard dic-

NEW YORK TIMES
29 March 1973

Key Watergate Figure

James Walter McCord Jr.

Special to The New York Times

WASHINGTON, March 28

—Ever since the police arrested five men inside the headquarters of the Democratic National Committee headquarters last June, investigators and the curious have been asking questions about them — particularly about the chief of the break-

Man
In the
News

in squad, James Walter McCord Jr. Who was McCord working for? What was his role at the Committee for the Re-election of the President? How much did he know about who ordered the Watergate operation? Where did he come from?

Only a few of the questions about the Watergate affair and about the man have been answered. Presumably some of them were asked again today when McCord testified in private before a select Senate committee.

McCord was an employee of the Central Intelligence Agency for more than 20 years. Some say he was just a technician, a subordinate whose days were consumed assigning guards, guarding safes and generally securing the C.I.A. headquarters. Aden in the woods at Langley, Va.

Others say he was the chief of all security for the agency. "He was the No. 1 man," L. Fletcher Prouty, a retired Air Force colonel, asserts.

"I was introduced to McCord by Allen Dulles [the former C.I.A. director] who said, 'Here is my top man,'" recalls Mr. Prouty, who has just written a book, "The Secret Team," about his years in intelligence work.

The introduction came at a meeting concerning an investigation of the shooting down of a United States Air Force plane over the Soviet Union in 1959.

McCord was such a good interrogator, Mr. Prouty says, that, from the questions he asked the crew when it returned, he was able to find a picture and identify the Soviet intelligence agent who had questioned the airmen.

seven men have been convicted of it. The larger question of who instigated and financed the crime has not been established, and this concerns nothing less than the integrity of the American political process.

After all, both the White House and the Ervin committee say they want to get at the facts and restore confidence in the political process, but so far we've not been getting witnesses from the White House to ascertain the facts and we're not getting substantiated evidence but hearsay from the committee.

Mystery also shrouds McCord's private life. He was born somewhere in Texas — those who know will not say definitely where or when.

When he was arrested on June 16, 1972, McCord told the police he was born Oct. 9, 1918. He did not give the place. Later, bail records indicated he was born July 26, 1924. These data would make the baldish McCord, who has kept his sturdy physique, either 48 or 54 years old.

Reports have floated around Washington that he and his wife, Sarah, are both graduates of Baylor University, but officials there say he never attended the school.

The first concrete bit of James McCord's biography begins with the Federal Bureau of Investigation, where he began as a clerk in 1942. He was still a clerk when, in 1946, he left, for what reason has not been determined. In 1948 he returned to the bureau as a special agent.

Aid for the Handicapped

McCord joined the C.I.A. in 1951 and is believed to have played a role in the abortive Bay of Pigs invasion of Cuba in 1961. Little else is known of his work in either agency.

More is known about McCord's life after his retirement in 1970.

He went to his pastor, the Rev. Walter C. Smith of the Rockville United Methodist Church in suburban Maryland, and said he wanted to spend half a day each week working for the church. Mr.

Smith, who said McCord attended church every Sunday with his family before he was jailed, set up a program for older members of the congregation to meet once a month for a "social fellowship."

McCord, who has a retarded daughter, Nancy, also spent many hours working to help handicapped children. He was the chairman of a group called Concerned Citizens for Exceptional Children, and he volunteered to help get a new wing for his daughter's school, the Kennedy Institute, in Washington.

"They are just a lovely family, and wonderful neighbors," according to one housewife living on the cul-de-sac in Rockville where the McCords reside in their \$38,000 brick home.

Taught at College

The neighbors say the McCord's son, Michael, is a junior at the Air Force Academy and that their other daughter, Carol Anne, attends the University of Maryland.

McCord taught at nearby Montgomery College for two semesters in 1971. The course, "Industrial and Retail Security," was described in the school catalogue as "the historical, philosophical and legal basis of government and industrial security programs in a democratic society."

McCord now has a new secret. During the 16 days when he was on trial he spent hours writing in a spiral notebook in the courtroom. When asked what he was writing, McCord, a gregarious man, even during the trial, would smile but would not answer the question.

tionaries as meaning, "1. The practice of making public and sensational accusations of disloyalty or corruption, usually with little or no proof or with doubtful evidence...."

The Watergate and the McCarthy episodes were quite different — even McCarthy at his worst never bugged Democratic headquarters — but the headline-hunting still continues in the Senate, and lately the Watergate has been producing its own "public and sensational accusations... usually with little or no proof...."

Senator Sam Ervin of North Carolina, the chairman of the Senate investigating committee, is undoubtedly within his rights to reject Mr. Nixon's definition of "executive privilege" as "executive poppycock" and to insist that members of the White House testify, not on their relations with the President, but on their relations, if any, with the Watergate conspirators.

But if the integrity of the Senate is involved in trying to get the President's aides to talk, it is also involved in trying to get the members of his committee to keep quiet about the gossip they hear in secret testimony until the whole committee has determined that it has enough corroborated evidence to investigate the charges in public. Senator Ervin agrees with the doctrine of Senatorial discretion and restraint, though it is seldom practiced.

In *Greene v. McElroy*, which came out of the McCarthy era, Chief Justice Earl Warren, speaking for a majority of the Supreme Court, insisted that, when action by the Government seriously injures an individual, "the evidence used to prove the Government's case must be disclosed to the individual so that he has an opportunity to show that it is untrue."

"While this is important in the case of documentary evidence," the Chief Justice continued, "it is even more important where the evidence consists of the testimony of individuals whose memory might be faulty, or who, in fact, might be perjurers or persons motivated by malice, vindictiveness, intolerance, prejudice, jealousy...."

Watergate is not, of course, precisely the same case, for the Ervin committee is trying to get the White House staffers to the Hill to hear the evidence and comment on it; but the principle is the same: that the accused should not be damaged by unsubstantiated evidence, and this is happening now before the facts are in.

This raises hard questions, too, for the American press, which was criticized for years after the McCarthy period for turning over its front pages to his unsubstantiated charges. Once Senators talk about McCord's testimony, and it is broadcast all over the country, about all the reporters can do is emphasize that the charges are "hearsay," and this has been done.

Nevertheless, as the Watergate case is just beginning on Capitol Hill, there is a problem of fairness and due process, which requires more respect from the White House and the Senate committee than it has been getting.

A crime has been committed and

GENERAL

BALTIMORE NEWS AMERICAN

25 MAR 1973

Multinationals Play Major Role in Run on Dollar

By MILTON FRUDENHEIM

PARIS — (CDN) — A Lebanese banker in Beirut advises a high-roller customer from Abu Dhabi or Qatar: "Get out of dollars. Buy gold, deutschmarks, yen."

The Telex clatters with the message to a Swiss banker in Zurich. He pulls \$5 million from the Arab's secret numbered account and goes to work.

In 20 minutes, the money has been split up and part of it is sent again by Telex, to Frankfurt with a buy order from German marks from the Zurich bank to its German correspondent bank.

The German commercial bank adds up the day's orders and goes to the central Bundesbank, which is stuck with the dollars — 6 billion in the February flood, then 2.7 billion in one day, March 1.

Runs against the dollar forced two devaluations and three crises in the last 15 months. Treasury Sec. George Schultz flew to Europe for two emergency meetings recently with free world finance ministers.

The ministers solemnly blamed "speculative movements of funds" — operators making a buck by getting rid of dollars.

"Speculators, hell!" commented a Frankfurt banker with a Henry Kissinger accent. "Those guys are just being prudent."

Frederick Pettit, vice president in charge of First National City bank's Paris branch, says "just about everybody" is in the money market now, including corporate treasurers, private individuals, central bankers, small companies, oil-rich sheikhdoms, discount-store chains, commodity purchasers and commercial banks.

Multinational companies, he divides the remainder — like IBM, ITT, Volkswagen and Nestle, accounted for 60 per cent of the latest dollar flood, a Frankfurt source estimates.

"20 per cent Middle East money, and 20 per cent banks representing everybody else."

Europeans are getting itchy about the multinational deals, most of which are American. French finance minister Valéry Giscard d'Estaing says you can't blame company treasures overseas for taking steps to avoid losing money on the falling dollar. Otherwise, they'll hear about it from the home office.

But Giscard had this to say about the sheer size of the multinationals:

"There are no exact figures available," he said, "but the combined treasures of only the biggest companies scattered around the world must amount to something like \$250 billion."

"By comparison, French reserves at this moment are something on the order of \$10 billion. So you see what massive amounts are available," Giscard said.

Another expert in Europe with one of the biggest American banks says the multinationals do \$263 billion gross international business in and with Europe every year.

Overseas executives of big business and even small ones turn to the "Today's Money" column every morning. They play a game called "leads and lags" — leading with early payments of bills in strong currency, German marks, Swiss or Belgian francs, and lagging on settling their debts in weaker money, dollars, Italian lira, British pounds.

While they were lagging on a flailing dollar market, say from Feb. 1 to Feb. 15, their dollar costs would have dropped 10 per cent with the devaluation, a nice gain for the company.

But the money manipulation goes further. "Big companies have lines of credit at numbers of banks," a Brussels banker explained.

"They see the dollar sliding, so they shop around and get the best deal available on a short-term loan of dollars. Euro-dollars cost about 8 to 10 per cent a year, which isn't much when divided by 12 for a 30-day loan."

"Changed into marks, these borrowed dollars added to the pressure. This is pretty close to what is meant by speculation."

The businessman often is an ordinary enough 45-year-old transplant from Winnetka, Ill., paid \$40,000 a year and expenses to shepherd his company's tens of millions. He tells himself he is protecting the company against next week's dollar slump.

Even so, he is helping to drive the American money down.

Then there are those Arab oil moguls. According to one forecast Middle East oil countries are heading for \$30-billion-a-year income.

"Needless to say, a large part of these funds could not possibly be absorbed in their internal economies," says Horace Bailey, head of petroleum division of Chemical Bank.

"As a result, it is quite possible that the treasuries of a few Middle East governments could have a surplus by the end of the 1970s of as much as \$175 billion, far exceeding any accumulation of foreign-held funds ever before experienced," Bailey estimates.

Saudi Arabia, which will account for nearly half of the dollar mountain, wants to invest "downstream" in the United States and other consuming countries. But this just might be more foreign money than even the trillionaire U. S. economy would care to swallow.

Libya, a hotly nationalistic oil producer with billions in the banks, was widely credited with helping swell the flood

into marks in February.

Arab money will continue to regard the dollar with great skepticism even after the latest switch to floating values, a top money trader in London believes.

"Once confidence in the dollar has been lost, it is not so easy to kid yourself and get it back," this Englishman warned.

He thinks the pressure will let up only when the American economy reaches a point where the U. S. gold window is reopened or when dollars again become "convertible" into Special Drawing Rights (SDR) if not gold.

"There are no known buyers of dollars in sight for any predetermined rate," he said. Politically-set rates will be subject to new losses of confidence, he believes.

However, Citibank's Pettit thinks that after nine money crises since 1967, the move away from fixed rates should help. "Those crises were all one-way, with the pressure toward the downside. It was easy to bet on the outcome."

"Now, with floating rates, relatively small amounts will move the markets and pressure will come from the other side, too. It is going to be very easy to get your fingers burned."

New risks may discourage money operations by small operators like retired Americans living in Europe on U. S. dividends. Some of them borrowed dollars on their stocks and bonds to buy marks last month. After the devaluation, they could add to their invested capital to make up for lost dollar buying power.

NEW YORK TIMES
4 April 1973

Smuggling of Drugs In False Legs Laid To Two Colombians

Two Colombians hobbled into Federal Court in Brooklyn on crutches yesterday, each with a leg missing and each charged with smuggling cocaine and marijuana stored in the hollowed-out parts of their confiscated artificial limbs.

A third suspect, a Colombian woman, was also accused of taking part in the smuggling of \$1-million worth of cocaine from Bogotá to Kennedy International Airport.

Acting on confidential information, customs agents took the three into custody Monday night. They also arrested a fourth member of the group on charges of carrying a false passport.

The agents took one of the suspects, William Ochoa, 25 years old, to St. Vincent's Hospital in Manhattan, where physicians removed his plastic left leg. Inside, they said, they found one kilo (2.2 pounds) of cocaine wrapped in plastic bags. The suspect told them he had lost his leg during a guerrilla uprising in Colombia two years ago.

Agents said they found six ounces of marijuana in the artificial right limb worn by Jaime Zapata-Reyes, another suspect.

The woman, identified as Mrs. Lenore Jaramillo, 34, was allegedly found to be wearing three girdles, each concealing quantities of plastic-wrapped cocaine totaling one kilo. Agents reported that each suspect had more than \$400 and return tickets to Bogotá.

United States Magistrate Vincent A. Catoggio held each in \$100,000 bail. Expressing concern over the missing artificial limbs, which had been described as damaged, he directed that customs agents return them in good condition.

The third man was identified as Oloniel Pineda, 36, who was arrested on charges of carrying a false passport. His arraignment was deferred.

NEW YORK TIMES
31 March 1973

Dog Aids Heroin Seizure

SAN FRANCISCO, March 30 (UPI) — A German shepherd named Zorro sniffed out 44 pounds of heroin yesterday in the largest heroin seizure in West Coast history. Agents arrested Tang Kuang Heok, 38 years old, who he claimed two suitcases at San Francisco International Airport. The heroin was estimated to be worth \$14-million in street value.

LONDON TIMES
28 March 1973

American expert raises spectre of West's oil supplies being cut off

From David Spanier
Amsterdam, March 27

If there is one issue which excited the delegates to the Europe-America conference it is that of oil. More than trade policy or monetary reform, it has an elemental simplicity about it, which is compelling. Certainly oil is likely to figure at the top of the transatlantic agenda in the coming decade.

All new subjects need a prophet of doom, especially if they are to make headway among liberal intellectuals, and in Dr Walter J. Levy, the Europe-America conference found its Cassandra today. Dr Levy, who is a noted American oil consultant, has a quick answer to those who feel he may overstate his forebodings. "If there are any alternatives, I have not heard of them."

Dr Levy starts from the basic and undisputed assumption that from now on until the early 1980s United States energy needs will only be able to be met by very substantial increases in oil imports, most of which will come from the Middle East. Oil imports by Europe and Japan will also rise very heavily.

The total value of United States net imports of energy materials, mostly oil, may easily reach \$18,000m to \$24,000m (£7,200m to £9,600m) a year by

1980. The figure for European imports is put at \$23,000m to \$31,000m, and Japan's at \$12,000m to \$16,000m.

On the other side, the revenues likely to accrue to Middle East producing countries are estimated at about \$40,000m a year by 1980.

Dr Levy spent little time on figures today, beyond noting that the Middle East oil producers would be in a very strong position indeed, as well as being very rich. Meanwhile, the position of the international oil industry has drastically declined. From the beginning of 1970 they have not been able to bargain as reasonably equal partners. They have been continually over-ridden by the producing countries, as witness the latest re-opening of the currency agreement on oil pricing and the sharp change in Iranian policy.

The threat, according to Dr Levy, is that if the oil companies do not accept what the Organisation of Petroleum Exporting Countries (Opec) says, the West cannot depend on its oil supplies. The flow may well be stopped.

What, then is to be done? "You can't have a situation where the most important raw material that moves in international trade, where most important financial consequences arise, where negotiations on a current basis change overnight

arrangements concluded yesterday, without the active firm, continued, organized support of the Atlantic community and Japan. . . . What is needed is a common policy not only with the European Community, but also between the Community, the United States and Japan."

A common policy might encompass 10 objectives, it was suggested:

- 1 Study and review of demand and supply, including diversification.
- 2 A research programme for developing new resources, including atomic energy.
- 3 Investment review and incentive and guarantee programmes for such resources.
- 4 Review of importing arrangements and criteria for them.
- 5 Contingency plans for stockpiling, rationing, and sharing supplies in any emergency.
- 6 Research on conservation and economy.
- 7 Review and coordination of development assistance to producing countries.
- 8 Review of prices, costs, and foreign exchange costs of oil imports.
- 9 Review of producing countries' revenues and their world impact.
- 10 Review of producing countries' trade and interdependence with importers.

Dr Levy concluded by proposing that a new high level energy council should be set up by the West to pursue these tasks, "not as a prelude to confrontation with Opec, but as the only way to avoid such a confrontation."

WASHINGTON STAR
22 March 1973

RAY CROMLEY

Applying the Sledgehammer

One of the most incomprehensible campaigns Sen. J. W. Fulbright and some of his colleagues have waged of late is their attempt to strangle the U.S. technical-aid program to foreign police departments.

Their sledgehammer attempts to kill the program entirely (successful for a few days a while back) has spurred them to new oblique efforts. Yet consider these points:

- If we are to cut back on terrorism — as when Olympic athletes or American and other diplomats or others are arrogantly killed in cold blood, it is essential this country assist in training more efficient police worldwide. Otherwise, terrorists can cow moderate officials and hamper (or even prevent) peaceful solutions in the Middle East, Southeast Asia and other troubled areas. Then add in what terrorists do to the ability of men and nations to operate in dignity.

- If we are to reduce the flood of heroin pouring into this country with such alarming results, we must intensify (not eliminate) technical assistance to foreign constabularies, and patrolmen concerned with this problem.

- If we are to put a damper on the police brutality customary in so many lands, we must have advisers to pass on to their associates around the world the knowledge that terrorism and cold brutality are counterproductive and that police forces are most effective when the policeman on the beat becomes involved in helping his community.

- And finally, if we are to prevent future Vietnams, local police forces must be trained not only on how to prevent local terrorism, but in ways to better relations between the police, the government and the community. This reporter has seen first hand in four countries the

dramatic effects of such U.S. advice on the actions of local police. Perfection has not been reached but, as one native liberal put it, anything the Americans do must end up in making things better in less torture and brutality.

The police aid program, of course, requires improvements. But the baby cannot be thrown out with the bath water. What these senators should be doing is attacking aspects of the aid program they believe are harmful. They should be suggesting improvements.

Do they believe we are sending the wrong men abroad? Or are they getting the wrong training? These are the problems the senators should be attacking.

Instead they're determined on the meat-cleaver approach using scare words and rumors passed on by propagandists for totalitarian groups.

BALTIMORE SUN
1 April 1973

Who's coming to dinner with Interpol?

By LYN SHEPARD

Berne.

The day when Soviet police commissars trade tips with the FBI on a crimestoppers' hotline may be here sooner than you think. And when it comes, the "switchboard" will be Interpol, the little-known police liaison agency that celebrates its 50th birthday this year.

To date, only Yugoslavia among the East bloc countries is part of Interpol's network of 114 member nations. But Romania is seeking admission. If its bid is approved—and insiders rate it a shoo-in this October when the agency holds its jubilee in Vienna—it may well signal a broader detente between police officials in East and West. At least that's the way Interpol spokesmen view things.

Until recently the Soviet bloc regarded Interpol as something of a Western stooge. Indeed, it remained largely a European message center after its founding in Vienna following World War I. Though officially "nonpolitical," its bureau chiefs are even today often former police chiefs of member countries. The present general secretary in Paris, for example, is Jean Nepote, previously chief of France's national police.

Nor could Communist nations forget Interpol's Nazi past. In 1938 Hitler proposed a Gestapo chief, Gen. Reinhard Heydrich, to head the agency. Despite

protests from Europe's democratic countries, the later "protector" of Poland was elected to the post. Thus Interpol's usefulness to the Allies ceased. Even though General Heydrich was assassinated in Prague in 1942, the Allies shunned the organization until 1946 when they revamped it completely.

In recent years, though, Interpol has taken on a distinctly Third World coloring. The Europeans and Americans no longer command a majority. Regardless of the politics involved, social justice ranks high on the agency's agenda. South Africa, for example, never has been a member; nor is it likely to become one. "It's doubtful that the Third World would ever accept it," explains Jean Benoit, the Swiss Interpol bureau chief.

This turn of events understandably pleases the Kremlin. It also gives Romania's imaginative foreign policy planners needed elbow room to justify their "opening wedge" in terms of socialist ideology. How fully the socialist and capitalist police forces cooperate is, of course, dependent on factors beyond Interpol's control.

Politics already hinders Interpol's effectiveness in the Middle East and anywhere else that war threatens. International terrorism remains a touchy problem for the agency as long as some Arab states condone it. But at Interpol world congresses, where Iraqis and Israelis sit alphabetically cheek to jowl,

as Mr. Benoit notes, "there's been no war yet." In fact, Interpol membership allows neighbors like the Israelis and Arab states a go-between if they're not on speaking terms. "Israel can file a report with us," Mr. Benoit says, "and then we transmit it to Cairo, Beirut and so forth." This at least permits top-level cooperation in nonpolitical matters like drug-running, however round-the-horn it may be. Interpol obviously plays a key role in furnishing vital background data on skyjacking commandos to governments facing ransom ultimatums. After an Arab-Israeli shootout at Zurich's Kloten Airport a few years ago, Arab agents helped identify the Palestinian terrorists. "Whether they answered everything as fully as possible or not, I couldn't say," Mr. Benoit admits. But he insists that Interpol has no Middle East problem.

The admission of Romania and eventually other East bloc countries to Interpol poses a new puzzle to the agency: how to cope with refugees and escapees? What happens when a Romanian flees to, say, Austria? Is he a criminal, as Interpol agents in Bucharest will likely claim? Or is he a political refugee, as the fugitive himself will probably insist? And what if he is both? Interpol would clearly prefer to dodge such sticky cases. Yet East being East and West being West, the prospect of its soon becoming mired in the complex political-asylum controversy is a near certainty.

CHRISTIAN SCIENCE MONITOR
27 March 1973

Center to treat U.S. youth on drugs opens in Bangkok

By Gerry Coffey
Special to

The Christian Science Monitor

Bangkok, Thailand

A drug-treatment center for American youth in Thailand — the first of its kind outside the U.S. — opened in Bangkok recently.

Under the auspices of the Special Actions Office for Drug Abuse Prevention (SAODAP) in the Executive Office of the President, the program is set up to treat youths with drug-related problems and adolescents identified as susceptible to drug use.

Although official figures are kept closely under wraps, reliable sources place the number of deaths in Bangkok due to drug abuse at an average of one American youth per month.

SAODAP officials visited Bangkok last August to analyze the problem, establish a "health care response model," and discuss with members of the American community here the steps for establishing the treatment center with U.S. Government financing.

An experienced SAODAP initiating team led by Miss Joan Donley is currently in Bangkok to help select and train competent local members of the community to operate the center. Its board of directors is made up of locally stationed military and civilian medical officers.

As the program develops, it might evolve into a regional center to take care of similar situations in neighboring countries, Miss Donley indicated.

"The program is not necessarily limited to Americans but primarily focusing on Americans," she told parents and teachers from the International School of Bangkok at an introductory meeting.

The center will offer out-patient treatment for individuals, groups, or families, plus resident treatment for adolescents who need to be temporarily removed from home or school, she said. It will be operated on a 24-hour basis.

A close working relationship will be maintained with the schools and with the presently existing "rap house" and "hot line" to meet any crisis which might develop.

Wednesday, April 4, 1973 THE WASHINGTON POST

Marquis Childs

The U.S. 'Trade Deficit' in Energy

Like a mirage seen in shimmering desert heat is the vast wealth of the oil sheikdoms in the Persian Gulf. When in the next decade the United States must import up to 30 per cent of all the oil we use, their take will increase from roughly \$10 billion a year to \$30 billion or more.

That tidy sum will be at the command of sheiks whose desert principalities are sparsely populated and whose peoples make few demands. The leverage in world finance and diplomacy this will give these autocrats is reason for dark foreboding in Western capitals, foremost among them Washington. Besides the sheikdoms there are the leading oil producers such as Iran making up a total overall of 75 to 90 billions of dollars, yen, sterling and francs by 1980.

How will they spend these vast sums? In a speech in Paris recently, Thornton F. Bradshaw, president of Atlantic Richfield, put this question to a leading British politician. Bradshaw said all he could think of was that they would come into the stock market and buy all of General Motors, all of IBM, all of General Electric. After thinking for a moment his British friend replied:

"Splendid! You let them buy General Motors. You let them buy IBM. You let them buy General Electric. And then you nationalize."

This was, of course, meant as a laugh. In a serious vein Bradshaw made what for an oil man was an heretical proposal. He suggested sharply increased taxes on cars according to horsepower to discourage large cars.

He would encourage the use of gasoline taxes for building mass transit systems in cities.

A gasoline shortage is just around the corner. It is likely to be acute with the beginning of the tourist season. The motorist scurrying from pump to pump to fill up his tank will be a common sight. Prices will rise sharply and there may even be an attempt at rationing which promises to be both too late and too little.

Short of a direct attack on the great god horsepower and the status symbol of the Cadillac and the Lincoln Continental, the pinch will grow worse from year to year. Far from stimulating production of the motor car, as was the goal when the excise tax was removed, the objective should be just the opposite.

Detroit is saying proudly that this will be an 11 million car year. City streets are already so clogged that traffic moves slower than a walking pace. The one man, one car commuter is a familiar phenomenon coming in from the suburbs to the center city.

The plain, hard fact is that for all the chirrupy talk about the boundless resources of oil, gas and shale within the continental United States, nothing can be done to relieve the pinch within domestic confines for at least a decade. Government controlled prices for natural gas, the rising cost of exploration, a complex web of circumstance makes any quick change all but impossible.

An illustration of the time lag is Atlantic Richfield's discovery of the largest field in North America in

Alaska in 1968. Company geologists first visited the North Slope in 1949. Conservationists blocked construction of the Trans-Alaska pipeline in federal court.

The United States Supreme Court has declined to overrule the lower court injunction. This means that only Congress can act to decide whether construction of the line on government owned land can proceed. This is bound to be a lengthy business as ecologists take up the challenge in Senate and House. Oil from the North Slope could at most slightly ease the shortage ahead.

That conjuring word ecology has helped to snarl the energy tangle. Conservationists fight the construction of refineries that could despoil the shore line. Drilling for off-shore oil resulting in such major spills as that in Santa Barbara brings stout resistance. It is all part of a confused and troubled picture which may or may not be sorted out by President Nixon's long-awaited energy message.

The recommendations he makes will have to be approved by Congress. In the current state of hostilities between the two branches of government that could mean further delay.

By 1980 the United States trade deficit in energy—imports of gas and oil—will be over \$17 billion a year. That is a daunting addition to the already lopsided trade balance. We should no longer pretend that we can use up 35 per cent of all the oil consumed in the world without paying what may be a prohibitive price.

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THE ECONOMIST MARCH 24, 1973

Stand by for dearer oil

The delicate peace between the oil companies and the Middle East oil producers is cracking. Better prepare for another hike in oil prices

Algeria has shattered the pleasant dreams of that handful of optimists who had convinced themselves that with the "participation" issue largely settled the international oil industry could look forward to a period of relative calm. Algeria proposed at the meeting of the Organisation of Petroleum Exporting Countries (OPEC) in Vienna last Friday and Saturday that all current price agreements between the oil companies and the OPEC countries be scrapped and negotiations begun from square one. This came as a bombshell whose reverberations are going to be felt throughout the oil world for a long time to come. The proposal was vetoed by the Saudi Arabians but not before a good many of the other oil producers had strongly supported it. It will take only one or two clashes on sensitive issues and moderate countries like Saudi Arabia will probably no longer be able to sit on pressures from the radical oil countries, nor may they want to. The upshot will be another increase in the price of crude oil.

Participation agreements have still to be negotiated in Libya and Algeria and the Basrah oil field in Iraq, but the really sensitive spot is Iran, which chose to make its own, quite different sort of deal with the companies. By settling for a new and unique management structure for Iran's oil facilities, the Shah won a point from the

companies that is going to be politically useful to him at home. The new structure will have little visible effect on day-to-day operations, but it will put them under a nominally Iranian umbrella. Since, in financial terms, Iran will get exactly what the participation countries will receive, the Shah can claim, with some justice, that he has been given more by the oil companies than they gave under the participation agreements to Saudi Arabia's Sheikh Ahmed Zaki Yamani and his clients.

The Yamani group, consisting of Saudi Arabia, Kuwait, Qatar and Abu Dhabi, could not care less about how much political mileage the Shah makes at home out of his agreement. But if, as a result, they are asked awkward questions in their own countries, they are going to come right back at the oil companies demanding that their agreements be reopened so that the Shah can be put back in his place, which, in their opinion, is a clear number two in the oil world.

This is by no means the only sensitive spot. The Arabs are watching like hawks to make sure that the Iranian agreement, whose details are still being negotiated, will give Iran exactly what they are getting and not a cent more. Saudi Arabia, Kuwait, Qatar and Abu Dhabi are also concerned about certain ambiguities in the agreement reached recently between Iraq and the Iraq Petroleum Company following last June's nationalisation

of the Kirkuk field. By way of compensation, Iraq is delivering crude oil to the company over a 15-month period in 1973-74, making it impossible to put an exact value to the oil. Along with some other grey areas of the Iraq-IPC agreement, it is difficult to estimate whether Iraq will be paying more or less compensation than the other Arab oil countries will under the participation agreements. If the oil companies get rather more compensation from Iraq, no one will worry. If they receive less, the other countries will be on the collective over-stretched neck of the companies in a flash.

Another spot was made tender by President Nixon's announcement that he is drafting a proposal that will encourage the oil-importing countries to act collectively in their dealings with the oil-producing countries. Sheikh Yamani, who is probably the best friend the west has in the present situation, is alarmed at the prospect of pressure from America and other countries. If pressure is exerted, he has warned publicly, the west can forget about Saudi Arabia, for one, raising its oil production in the coming years to suit the west's needs.

Saudi Arabia hardly needs more income than is already provided by its present production of about 6m barrels a day, so why should it, as has been suggested, raise production to 20m barrels in the late 1970s to help its customers if they are going to act nasty anyhow? It would be different, the Saudis feel, if they were threatening to hold back production, but they point out that they feel a responsibility to supply the west with the oil it needs until alternative fields can be developed.

In the present sellers' market, it is doubtful whether the consuming nations can get together anyhow. Some of them, notably France, play their own games in the Middle East, but even if they did not the sheer weight of commercial competition would make effective co-operation difficult. President Nixon's initiative, instead of improving matters, is likely to reap the kind of publicity that worsens them.

In large measure the developments which have put the oil-producing countries so firmly in the driver's seat have arisen out of the levelling off of America's own oil pro-

duction. Even if Alaskan oil is brought to market within the next few years, American production will not be able to keep up with expected increases in demand, although these increases will probably not be as large as formerly thought: fuel conservation and economy are going to become increasingly fashionable in America.

President Nixon's only way to change the balance back in the oil consumer's favour is to initiate a programme that will once again make America independent of imported energy. This is why his promised energy message will probably be the most important event this year for the energy industries. If it is not, it will be their biggest disappointment.

There is not much that America can do to reduce its dependence on Middle East oil before the 1980s, but it will make all the difference whether America's dependence is seen as transitory or something that is likely to go on indefinitely. Mr Nixon should aim for a middle course in his message. Unlike the space programme, with which it is sometimes compared, an energy programme cannot avoid stepping on the toes of powerful, established interests, which is why some of the most important politicians in the Nixon Administration and Congress are doing what they can to influence the President's message. Mr Nixon, a political animal if ever there was one, might weigh the opposing factions against each other and decide there would be little political advantage in going much beyond a fine-sounding speech. But that would create large problems with the international energy industries.

The other extreme, a crash programme for alternative fuels, is well within America's capability, but it is argued that it might even exacerbate current problems by creating a panic and driving oil prices up even faster than they are likely to go up anyway. According to reports in Washington, Mr Nixon's energy speech has been written for some time, but his advisers disagree among themselves as to how strong its main provisions should be. It is easy to see why they are having so much trouble.

WASHINGTON POST

31 March 1973

Mexican President Urges Canadians To Help Curb Multinational Firms

By Claude Lemelin

Special to The Washington Post

OTTAWA, March 30 — The President of Mexico, Luis Echeverria, pressed today for coordination of Canadian and Mexican efforts to control foreign investments and curb the powers of multinational corporations, most of them dominated by U.S. interests.

In an address to the Canadian Senate and House of Commons, Echeverria pledged Mexican support "to any initiative that is taken to draw up an obligatory code of conduct that will regulate the actions of multinational companies and establish guidelines for the domestic legislation of the nations concerned."

He warned: "We cannot accept the action of multinational companies when they are not bound by the sovereignty of the nation or when they are harmful to the real needs and aspirations of countries."

"We want to take advantage

of their positive contributions, for their own benefit and that of our population. We are not interested in fostering an apparent industrial progress that only benefits large consortiums that are not bound by our national goals."

The Mexican president, who is on a five-day state visit to Canada with his foreign minister and other officials, met yesterday with Prime Minister Pierre Elliott Trudeau, External Affairs Secretary Mitchell Sharp and Energy Minister Donald MacDonald. They discussed their countries' legislative approach to curbing foreign investment and each government's bilateral relations with the United States, which is the major trade partner for both Mexico and Canada.

For the most part, discussions focused on ways to develop closer ties between Mexico and Canada, especially through increased trade and economic cooperation. Each country has attempted in re-

cent years to diversify its international outlook to escape from what it considers too exclusive a relationship with the United States.

Echeverria's visit to Ottawa is the first stop on a month-long world tour that will take him to Europe, the Soviet Union, to Europe, the Soviet Union and China.

The Mexican president told the Canadian Parliament "Only dangerous fatalism could lead us to believe that the international community should be structured in the future in accordance with old systems of denomination and that the only possible way of change would be to redefine spheres of influence. Such a belief would be facing the future

with a 19th century outlook and condemning ourselves to dependence."

Echeverria welcomed Canada's recent diplomatic openings toward Latin America. Though Mexico is convinced that full Canadian membership in the Organization of American States would be useful, he said his government respects Canada's reasons for joining only as a permanent observer.

"We share many of the doubts that rightly concern Canada with respect to this organization," the president said. "We realize that its decisions only appeared to be democratic and that ideological intolerance frequently diverted this institution from its objectives."

Western Europe

NEW YORK TIMES
1 April 1973

U.S./Europe

Old Friends Drifting Apart

AMSTERDAM—The signs of slippage along the European-American seam had become uncomfortably visible a year ago. It was no longer the old theme, echoed as often as the mischievous shepherd boy's "wolf," that the alliance was in "disarray."

The growing concern was that the Atlantic partnership was wearing out, that even as the United States was growing less hostile to its Russian and Chinese antagonists, it was growing less friendly toward its friends. Some of the people who had spent much of their adult lives constructing the institutions of a postwar world based on America's new-found strength and Europe's traditional civilization felt that something should be done about the erosion.

So last week they convened the Europe-American Conference here. The purpose was to discuss the problems of a changed international landscape; not to negotiate; so there was little effort to attract officials possessed of the power of decision. But there was hope of developing the kind of high-level intellectual momentum which can influence policy. That meant a reunion of what has come to be the loose but recognizable Atlantic "Establishment."

By and large, the establishmentarians were there—among the Americans, George Ball, Nelson Rockefeller, John McCloy, John Tuthill, Eugene Rostow; among the Europeans, Joseph Luns, Dirk Stikker, Walter Hallstein, Kurt Birrenchbach, Eric Blumental, Roy Jenkins.

But it became all too quickly evident that the Atlantic concept has aged, it was not renewing itself and the dangerous affliction of nostalgia was setting in. "Where is the succession?" complained a devoted European Atlanticist.

The new generation of leadership had not appeared in Amsterdam to continue the relay. There was no single reason. Partly, not enough new names had been on the list. Why? Partly, because the younger people who have come to prominence and influence are interested in quite different matters.

"I don't see why we should bribe them by offering more windy talk about pollution, and minorities, and women, and the Third World," said the European veteran. "The key issues for us are still security, economic and political cooperation, making the West-

ern world work."

There was some despair, some sober fear, and a good deal of frustration among men and women who had knotted the Atlantic ties. The ties were fraying just because they had served so well that they were being taken for granted, it seemed.

"There can be no prosperity without security," NATO's Secretary-General Luns warned, and he appealed to "my fellow Europeans" to remember how much depends on continued close partnership with and military support from the United States. Europe's safety is the American nuclear shield, Mr. Luns reminded, and the presence of American forces in Europe is both a guarantee and a prop for that shield.

Former Under Secretary of State George Ball issued a sharp reminder that isolationism can affect both sides of the Atlantic, that if cooperation is to bring mutual advantage, it must also bring mutual concessions.

But also, there was some recrimination and some edgy argument in the corridors. National positions have shifted and the establishments unwittingly reflected it.

Many Americans complained privately that the Europeans no longer knew what they wanted, that they couldn't expect the United States to indulge them any more. But how could the United States deal with Europe as an equal when Europeans couldn't agree among themselves? For example, the Common Market countries have different positions on the currency issue, reflecting different trends in their domestic economies and political situations.

Many Europeans complained privately that the United States no longer cared so much about Western Europe's fate, that it had come to see Europe more as a rival than a partner and was trying to use its strength now to shift the burden of its mistakes across the Atlantic. The United States insists that a new economic balance should be found through trade, with other countries accepting many more American goods. Europeans feel that the American deficit comes more from capital exports and Vietnam spending, and claim that the United States is essentially trying to meet its domestic inflationary problem by exporting its trouble.

The point wasn't whether some were right and some were wrong. It was the subtle change of assumptions—no longer so much that Europe and America urgently needed each other's support, and more that each must take care to prevent the other from undermining vital interests. The drift was not toward collision, not at this stage and among these people anyway. It was apart, toward new and increasingly separate definitions of these vital interests.

While the speakers groped for something energizing to say, the industrial world's Finance Ministers were meeting in Washington to confront the most immediate issue—the crisis of

confidence in the dollar and the need for reform of the world's system of exchanging money. They agreed there to study American proposals: for more automatic exchange rate changes when currencies get too strong as well as too weak; to see why money is so loose it floods the market's dikes in always quicker tides and what can be done about it; to see how the mass of unrooted dollars can be gathered and bundled securely for long enough to replace their role as international reserves.

It was adequately good news, but there was still no tonic in it, just a sense that things hadn't gotten worse.

The one topic that perked ears was petroleum, a warning from oil expert Walter Levy that unless Europe, America and Japan add another major element to their web of common action, their soaring needs for energy will put them at the economic and political mercy of the Arab Middle East. That, Mr. Levy pointed out, could draw the Soviets, who are self-sufficient in fuel, into a new and possibly more dangerous conflict than the cold war. Here was a real and worthy reason for shifting back from competition to cooperation, he said.

—FLORA LEWIS

CHRISTIAN SCIENCE MONITOR
4 April 1973

Atlantic relations

By Robert B. Bowie

Europeans are uncertain and deeply troubled about the outlook for their relations with the United States. That concern was apparent in discussions at a large European-American meeting held in Amsterdam last week, and in private talks with officials and others in London, Bonn, Brussels.

Leading Europeans consider close cooperation with the U.S. essential for mutual security and prosperity. While anti-American and neutralist sentiment has grown, especially among young people, largely as a result of Vietnam and detente, it is still not a major political influence. For the most part the Europeans aspire to a form of partnership in which Europe would have its own voice and define its own interests, but would concert its policies and actions closely with the U.S. The obstacles to that aim are serious and arise for both sides of the Atlantic.

Basically the Europeans are far from sure that the U.S. now shares that goal or gives it high priority. They are baffled and worried by many aspects of U.S. policy and unclear about its premises.

Take security and NATO, for example. The Europeans are satisfied that Mr. Nixon continues to consider Europe's security as a major U.S. interest and they appreciate his resistance to the Mansfield effort to reduce U.S. forces in Europe. For them nuclear parity with the Soviet Union has enhanced the significance of such forces, despite detente. Their presence reinforces the deterrent, but even more, it counters Soviet political pressure which would grow if the U.S. com-

mitment were thought to be declining. Despite Mr. Nixon's attitude, however, Europeans are uneasy as to whether political pressure and defense cuts will eventually force substantial troop reductions.

In the economic field, the situation is also unsettling. Does the U.S. view the European Community and Japan primarily as adversaries in monetary and trade affairs, with each side looking out only for its own advantage? Much of the U.S. rhetoric and action since Aug. 15, 1971, might tend to suggest this. And hints by high officials of linking economic concessions to security issues are hardly reassuring.

Finally, in East-West affairs, there is the shadow of U.S.-Soviet bilateralism. While SALT I was generally approved, there are nagging concerns about the current negotiations in SALT II, on mutual and balanced force reductions, and in the conference on security. In these, Europe's interests could be directly prejudiced by some outcomes, such as restraints on forward-based weapons systems in NATO, or on transfers of weapons technology, or on indigenous forces in Central Europe. Such restrictions could hamper or block future European defense efforts, or give the Soviet Union handles for impeding the progress toward European unity.

Underlying these specific concerns is a more fundamental one. Mr. Nixon's style and approach to foreign affairs remind some Europeans more of de Gaulle than of earlier U.S. leaders. He appears more inclined to unilateral action and to resist being constrained by allied ties, tendencies which are encouraged by Europe's inability to assert itself more effectively.

Indeed that is the other half of the European predicament. In its members' eyes, the Community has regained momentum since its enlargement and the Paris summit of last fall. They consider its program of studies, reports, and measures, which are intended to produce "European

union" by 1980, as a serious agenda even if ambitious. And in recent months they have worked together more closely on monetary issues and in pursuing joint policies in the security conference in Helsinki.

Yet they are keenly aware how far they are from political and economic union which would make them an effective entity for real partnership. To achieve that quantum jump will require substantial transfers of authority to central institutions of the community. Where are the political leadership and will required to do that rapidly? The machinery of the community is now extremely cumbersome, and national leaders are heavily preoccupied with domestic problems and pressures.

The Europeans do not want or expect the U.S. to push Europe to unity. Yet U.S. actions inevitably do help or hinder the process of European integration. And as the members seek to unite, some fear the U.S. may exploit their differences in ways which split them and undermine their progress.

With all the difficulties and divergences it is easy to be pessimistic about the prospects for creating the Community and the Atlantic partnership. The task is far harder in this period than it would have been under earlier conditions. A decade was lost first through British hesitation in the '50's, and then from de Gaulle in the '60's. Meanwhile the U.S. position has been eroded by the frustrations of Vietnam and its economic and political consequences.

But, if the task is more difficult, it is still just as essential. Interdependence is a fact of life. In view of the stakes, the hope must be that leaders in all the advanced nations will judge the necessities correctly and rise to meet them.

Dr. Bowie is a member of the Harvard Center for International Affairs and of the Harvard faculty.

WASHINGTON STAR
1 APRIL 1973

CROSBY S. NOYES

Time of Troubles for Western Alliance

By all accounts, the high-powered gathering in Amsterdam last week to discuss the state of European-American relations was a pretty gloomy affair.

The meeting of some 350 scholars, political leaders and assorted present and former high government officials was supposed to breathe new life into the Atlantic Community and reaffirm the basic interdependence between the United States and Western Europe. In the event, it sounded more like a series of funeral orations for a once-vital alliance.

Eminent European and American speakers competed with each other in their pessimism about the future of European-American relations

"The problems of European security which have always formed the basis of the NATO alliance are being called more and more into question."

While assessments of responsibility for what was almost universally perceived as a deterioration of the Atlantic alliance differed, there was little disagreement over the sad state of affairs.

Three dominant themes emerged from the discussions.

First, there is a growing concern in Europe about the reliability of the United States as an ally. The problems of European security which have always formed the basis of the NATO alliance are being called more and more

into question.

To some extent, of course, the erosion of European confidence has been inevitable. It was a good many years ago, after all, that Charles de Gaulle first began questioning the credibility of the American nuclear commitment to western Europe, resulting in the creation of France's equally incredible "independent" nuclear deterrent. As the balance of strategic power has shifted in favor of the Soviet Union, skepticism about the American nuclear umbrella has greatly in-

creased.

It has been given fresh impetus by the recurring threat from the Democrats in Congress to pull out of Europe a substantial portion of the 300,000 troops assigned to the defense of Nato. Without that substantial and tangible expression of the American commitment, Europeans would feel themselves virtually defenseless in the face of overwhelming Soviet military power.

They are giving a good deal of hard thought to the problem. One solution, encouraged by some Americans and strongly opposed by others, would be for Britain and France to pool their resources to create a respectable deterrent of their own within the next decade, perhaps with

American help. Yet it is quite clear that when Europe ceases to rely on the United States for its basic security, the Atlantic alliance will cease to exist.

The second large area of concern expressed by many speakers in Amsterdam concerns the potential dangers in the current East-West detente and the implications of the "era of negotiations" already well under way.

In the past, the United States has watched uneasily as the nations of Europe — notably France and Germany — have explored and developed their own "openings to the east" in an effort to ease tensions and improve their relations with the Soviet-dominated bloc. Now it is the Europeans' turn to worry.

With some reason, they fear that the series of East-West negotiations already begun or about to start could result in dismantling the Atlantic community. In the European security conference and the talks on "mutual and balanced" force reductions in central Europe, the Russians, they believe, are aiming for the retreat of American power from Western Europe.

In the second phase of the SALT talks which have now opened, it is expected that the Soviet Union will bring great pressure to bear to prevent the creation of a credible European nuclear deterrent. If the United States is willing to pay that price for a detente with the Soviet Union, Europe would be left defenseless and highly vulnerable to Russian political pressure.

And finally, the leaders meeting in Amsterdam found little encouragement in recent developments on the economic front. The collapse of the international monetary system that has existed since World War II is likely, in the general view, to bring about a rise of protectionist policies on both sides of the Atlantic and a retreat from the doctrine of free trade between the major industrialized nations.

It may be, of course, that delegates to the meeting are unduly alarmed about the prospects and that the means will be found to prevent the confirmation of their worst fears. Nevertheless, the evidence of a growing lack of confidence and understanding within the western community is impressive and points to the need for a new approach to European problems by policy planners in the Nixon administration.

WASHINGTON STAR
23 March 1973

WASHINGTON CLOSE-UP

American Troops in Europe

By GEORGE SHERMAN

But the basic clash goes beyond dollars and cents. To Mansfield & Co., the troops and bases are a leftover from a bygone era, an era of Cold War ended with Nixon's own summitry in Moscow and Peking. In this view, the time has come to concentrate on neglected problems on the home front.

For Nixon, this approach smacks of neo-isolationism. Ever the apostle of strength, the President argues that the world today is on the brink of peace precisely because of continued American determination to maintain alliances. That means, in the White House lexicon, flesh-and-blood commitments overseas.

At stake is Nixon's "era of negotiations" with the Russians. Now that the United States and its NATO allies have opened talks with the Soviet Union and its Warsaw Pact allies, the United States forces in Europe become a "bargaining chip" for gaining a corresponding Soviet military withdrawal from East Europe.

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"It makes no sense at all to reduce U.S. forces at the outset of negotiations which might lead to a stable balance of forces in Europe," said Ziegler.

It is a powerful argument. So powerful, in fact, that it is doubtful that the Democrats themselves will take any practical steps in the Congress to weaken it. In the meantime, Nixon has served notice to the Russians and American allies that the Senate Democratic resolution is not U.S. policy.

But is that resolution a harbinger of the future?

The more the barriers between East and West continue to come down in Europe, with

or without formal agreements with Moscow, the less imperative there is for American forces there. Furthermore, as West Europe grows in unity and strength, the less it needs — or will want — the American protective shield.

At the same time, Nixon's own bulldog tactics at home for "new federalism" inevitably shift the focus of public interest to the domestic front. As the clash with Congress becomes more bitter, the stage is set for an across-the-board onslaught against his whole conduct of policy.

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Nixon is determined that this country not return to isolationism. But four years from now, he may well have created the psychological climate at home and abroad for whittling down the overseas commitments he so covets.

Lest anyone forget, the President and the Senate Democratic majority are at odds over far more than just how to run things inside this country.

They disagree deeply over how to run things American overseas, as well. Even Vietnam, where "peace with honor" was proclaimed in Paris on Jan. 27, refuses to go away — what with threats and counter-threats over cease-fire violations and the blossoming argument here over postwar aid to Hanoi.

But Nixon's most recent confrontation with the Senate Democrats was far wider. The majority caucus, with Senate leader Mike Mansfield out front, voted overwhelmingly in favor of bringing home many of the 600,000 American forces overseas.

The result was almost a rerun of the sterile presidential election campaign last fall. The President this time

trotted out the spokesmen of both the White House and the State Department, as he had earlier his surrogates against candidate George S. McGovern, to label this Democratic proposal irresponsible and unwise.

Of course, the whole argument today is quite academic. The Senate Democratic resolution has no force of law, reflecting more sentiment than legislative intent. For his part, the President already has made it perfectly clear that a continuing U.S. military presence abroad is an integral part of his new structure of peace.

But the White House declined to let the new challenge go unheeded. When reporters at the regular morning press briefing neglected to ask for a reaction, spokesman Ronald L. Ziegler produced on his own a carefully worded indictment. At the State Department, spokesman Charles W. Bray III put forth at the same time even more elaborate facts and figures.

★

The focus of the argument is on Europe. In this day of the weakened dollar, claim the Democrats, the United States could save a good part of \$17 billion by bringing home the 300,000 American forces in Europe.

Not so, retorted the administration. Of the \$17 billion, only \$4 billion actually was spent on those overseas forces — the rest goes for forces and equipment in the United States ready for European duty at a moment's notice. To bring home the remaining troops, concluded the State Department, would save precious few of the \$4 billion, since they still would have to be sustained inside the United States.

NEW YORK TIMES
22 March 1973

SWEDEN SEEKING WARMER U.S. TIE

Rift Over War Is Brought Up
but Washington Is Chilly

Dispatch of The Times, London

STOCKHOLM, March 21—Foreign Minister Krister Wickman said today that it was important to improve Sweden's relations with the United States, frozen since Christmas time when Premier Olof Palme criticized the United States bombing of North Vietnam.

"It is especially important to preserve the means of high-

level dialogue," Mr. Wickman said, opening a foreign policy debate in Parliament.

"We believe Swedish-American relations are better served in the long run by making our basic principles clear instead of seeking to hide our feelings," he declared.

The Government is known to be anxious to restore friendly relations with President Nixon, who has refused to welcome Sweden's new Ambassador or to allow the United States Ambassador to take up his post. But leaders here have said that they do not know what reasonable political gesture they can make to propitiate him.

The President is understood to believe that Mr. Palme, by likening the intensive bombing of Hanoi in December to Nazi atrocities, was in effect labeling

him a mass murderer.

Two Leaders Give Views

Thorbjorn Falldin, leader of the Opposition Center party, supported the Foreign Minister's view, saying that criticism of the bombing of North Vietnam "does not imply any inimical attitude toward America."

Gosta Bohman, leader of the small but significant Conservative party, criticized the Government, saying that the majority Social Democrats had damaged relations with Washington.

"It is a dangerous situation," he said. "It affects our interest."

Mr. Palme, who received a bachelor's degree from Kenyon College in Gambier, Ohio, is known to be disappointed by the chill in relations. He told

a reporter recently:

"The period I went to school in the States was the most important period of my life. For me and for most of my generation, American democracy—with its shortcomings, but also its great vitality—has been a great inspiration."

"Partly, at least, this explains our disappointment and distress over the Vietnam war, which for me stands as a contradiction to the basic tenets of American democracy."

'No Comment' From U.S.

Special to The New York Times

WASHINGTON, March 21—Asked whether Mr. Wickman's remarks would contribute to the normalization of relations between Sweden and the United States, a State Department spokesman replied today, "we have a frosty 'no comment.'"

THE LONDON DAILY TELEGRAPH
24 March 1973

SPY CHIEF'S SON 'SPENT £50,000 ON DRUGS'

By C. A. COUGHLIN, Old Bailey Correspondent

CHARLES RENNIE, son of Sir John Rennie, head of Britain's spy network abroad, told an Old Bailey jury yesterday that he spent a £50,000 inheritance on drugs within three years.

He said that he and his wife took an ounce of heroin a week, which cost them about £30 a day. When he inherited the money in 1968, "it went in about three years on drugs. All I had left was a car, some paintings

and debts."

He and his wife were convicted in 1971 of possessing drugs and received suspended prison sentences at Croydon

in 1972.

Rennie, 25, of Lavington Road, West Ealing, was giving evidence in the defence of his wife, Mrs CHRISTINE MARGARET RENNIE, 24, who has pleaded not

guilty to supplying Chinese heroin to a Mr Brian Holden in October, 1971, and offering to supply the drug to Pe Thomas Lewis in April, 1972.

Rennie himself has pleaded guilty to five charges of possessing drugs and receiving stolen travellers cheques. He is in custody awaiting sentence at the conclusion of his wife's trial.

"Out of Mind"

Rennie told the jury that bankruptcy proceedings were started against him in 1971 when he had a deficiency of £1,400.

After the inheritance he became self-employed in a business called "Sounds Out of Mind," which hired out recording equipment.

"I could not pay my debts, so the firm went into voluntary liquidation and went bankrupt," he said. As far as he knew he had not yet been declared bankrupt.

Alone in cafe

Referring to the charge

against his wife involving Mr Holden, Rennie said he was in a cafe in Leicester Square when his wife was supposed to have passed over the drug there. He said he had gone to the cafe alone to buy heroin.

He saw a girl there named Maxine Asplin, who could be mistaken for his wife. He remembered the date because the police stopped and searched him outside the cafe.

On another occasion, on April 10, 1972, he was with his wife in Piccadilly Circus when police stopped them in the Underground station and accused his wife of offering drugs for sale.

Questioned about 254 grams of heroin found in his flat, Rennie said he had paid £750 for it and got the money by selling some paintings he had inherited.

The drug was for their own consumption and not for sale, he said. He estimated its worth on the black market at £1,500 and not £15,000 as had been suggested.

The trial was adjourned until Monday.

THE LONDON DAILY TELEGRAPH
27 MARCH 1973

Spy chief's son 'does not blame father'

By C. A. COUGHLIN, Old Bailey Correspondent

DRUG addict CHARLES RENNIE, who has pleaded guilty to possessing heroin and receiving stolen travellers cheques, does not blame his father, Britain's spy chief, Sir JOHN RENNIE, for his troubles, and holds him in "very high

regard." It was said at the Old Bailey yesterday, told Judge GWYN MORRIS,

Q.C.: "This case has attracted the interest of the Press because of the standing of my client's father."

"This is something he deeply regrets. There has been no contact between father and son—from the father's position, perhaps understandably—since his son has been married. As long as his son is addicted to heroin there is little he can do."

Rennie, 26, of Lavington Road, West Ealing, had pleaded guilty to five charges of possessing Chinese heroin and receiving stolen American Express travellers cheques.

His wife, CHRISTINE MARGARET RENNIE, 24, was found guilty yesterday on two charges of supplying Chinese heroin and offering to supply heroin, and pleaded guilty to three charges of possessing the drug.

The judge postponed sentences on both until today, commenting: "One cannot simply make a declaration about the future of two young people without thinking deeply about it."

Det. Inspector MICHAEL HEWINS said both had convictions for drugs. Rennie was educated at a public school and had a degree in English at an

American university. He had worked as a turf accountant, a waiter and producer of records.

£30-a-day drug bill

The rent of his flat was £30 a week and the couple were spending £30 a day on drugs.

Mrs Rennie was born in Plaistow and left school at 15. She had worked as a waitress and telephonist and then as a secretary in her husband's business.

The judge was told that the couple were both registered

heroin addicts and had been under the care of the Lambeth clinic. Neither had reported to the clinic since November.

Lord Gifford said it was a case of one dragging the other down. If one wanted to attend the clinic the other one wouldn't, so neither went.

The judge commented that probation reports showed that Mrs Rennie had repeatedly been offered help to get rid of the addiction, but had not co-operated.

The hearing was adjourned until today.

LONDON TIMES

27 March 1973

Europe-America conference launches the search for a new beginning

Elders gather to defend the Atlantic community

From Louis Heron
Amsterdam, March 26

They are all here. The faces which launched a thousand committees, and in the process a few worthwhile institutions such as Nato and the EEC.

They are the faces of men who have long been members of the Atlantic and European establishments: the Gladwyns, Hallsteins, McCloy and Reys, and the academic camp followers such as the Uris, Briggs, Triffins and Wohlstetters.

They are all looking a little older and greyer; some so ancient now that they have come only as observers. But in spite of advancing years, they have come together once more to defend and advance the cause of the Atlantic community.

Many believe it is in danger from within. The fruitful cooperation of the past is seen to be descending into damaging rivalry, and fragmentation or collapse is threatened.

Sponsored by the International European Movement, the Europe-America conference is seeking a new beginning. Professor Eugene Rostow, of Yale, a former Under-Secretary of State, has spoken of a new Monnet Committee; Dr Walter Hallstein, the former president of the European Commission, of a new pressure group to organize public opinion and persuade governments to act before it is too late.

The rumblings of this Atlan-

tic *Götterdämmerung* come mainly from the United States, or so some of the Europeans believe. Many Frenchmen and Italians are suspicious, and were indeed reluctant to attend the conference.

They seem to see the conference as a not very subtle conspiracy to perpetuate American hegemony. Others feel that they should not be diverted from the immediate task of uniting Europe. They claim that without unity they cannot speak with the Americans as equals.

A few are said to smell an Anglo-American plot. Britain is once again seen as the American Trojan horse, and all the more dangerous because it is now within the European camp.

Certainly the two countries have sent large delegations, and despite the excellent translation service, English is the dominant language of the conference. Prince Bernhard of the Netherlands delivered the opening address this morning in exquisite English and Dr Hallstein has the habit of correcting the English translators.

The old-timers, if one can use such a word to describe this well-tailored group, say that it was always so. And in spite of suspicion and distrust the Atlantic countries did unite for peace and prosperity.

So it may have been, but as Prince Bernhard said this morning, the simple days of Atlantic unity are over. The United

States is no longer willing or able to bear a disproportionate part of the cost of western defence. Europeans have become ambivalent.

Fearful that the withdrawal of American conventional forces will make the nuclear guarantee no longer credible, they are at the same time increasingly resentful of their dependence upon the United States. Yet they refuse to consider what a real sharing of the burden might mean.

Many papers will be read and discussed here this week. The titles range from "The Future of International Monetary Management" and "An Atlantic-Japanese Energy Policy" to "Economic Issues in an Interdependent World" and "Regionalism versus Multilateralism".

They are the work of distinguished men, all experts in their fields. Sufficient material is available to fill up half a dozen learned journals, but it is difficult to avoid the impression that the main question is the American garrisons in Europe. Who is to replace them or pay for them?

Mr George Ball, another former Under-Secretary of State, said that they were a symbol of the American malaise. The Americans were becoming Gaullist.

Dr Joseph Luns, the secretary-general of Nato, insisted that they were in Europe to defend American interests. Nev-

ertheless many in Europe and the United States did not seem to be fully aware of the essential and vital interaction between defence and the monetary and economic components of the Atlantic relationship.

This view is shared by others. One outcome of this conference could be a general agreement to accept the American view that military, political, monetary and economic relationships are indivisible.

It could be a step in the right direction, but only a step. Oddly enough, a Frenchman, a Gaullist, provided the perspective necessary if the alliance is not to be damaged or destroyed from within.

He said that America and Europe had much in common, above all a respect for individual freedom. The gentlemen of mature years attending the conference had done much to defend that freedom. They assumed that this was widely recognized and that the Atlantic relationship would for that reason survive. But they were wrong.

Millions of young Frenchmen, Britons, Germans and Americans did not know that their freedom depended upon the Atlantic relationship, and were therefore not interested in its survival. This was the ultimate danger.

He was probably right, but one wonders if they are willing to listen to this older generation—and pay the price.

Near East

NEW YORK TIMES, SATURDAY, MARCH 31, 1973

Soviet Accuses U.S. of Role in '67 War

By HEDRICK SMITH
Special to The New York Times

MOSCOW, March 30 — A prominent Soviet newspaper correspondent has charged that the United States Central Intelligence Agency gave the orders in 1967 for the start of Israel's attack on her Arab neighbors.

The charge is made in a documentary novel written by Igor Belyayev, for nearly a decade a Pravda correspondent in Cairo and other points in the Middle East and Africa.

Both the book and a relatively hard-line review of it today in the military newspaper Krasnaya Zvezda sounded a jarring note out of harmony with the present hopeful course of Soviet-American relations.

Premier Aleksel N. Kosygin held a 75-minute meeting today with Henry Kearns, head of the

Export-Import Bank, an American institution that granted the Soviet Union a sizable credit last week to help finance industrial projects here involving American concerns.

Izvestia, the Government newspaper, carried a long article reviewing favorable trade And Pravda, in a review of developments with Washington, Moscow's foreign policy over the last two years, noted improvement in relations with Washington, contrasting this with the lack of progress in efforts to normalize relations with Peking.

Because of the continuing Soviet-Chinese frictions and the gradual easing of tensions with the West, some Western diplomats were surprised that in an address this week to the first nationwide congress of Communist party political officers in the Soviet armed forces in 13 years, Marshal Andrei A. Grechko, the Soviet Defense Minister,

referred repeatedly to "imperialism" — the West — as the main threat and did not so much as allude to China.

As for the documentary novel "By the Back Door," it was published by the Military Publishing House. It uses a fictional plot to describe the build-up toward the Six-Day War of 1967.

Krasnaya Zvezda's review suggested that the plot, about an Israeli spy, was secondary to the basic analysis of political and military maneuvering that saw Washington give Israel the go-ahead for the war.

Even today the main American interest in Israel "is its militancy and aggressive course," the article suggested. That accusation is more pointed than normal for the Soviet press nowadays.

The reviewer's summary of the book also represents the sharpest accusation in many months that the United States urged Israel into the war.

According to this summary, Israeli preparations for war

had been completed but Premier Levi Eshkol postponed the

"He understood quite well that the signal must come from overseas," the newspaper said. "And Eshkol agreed to act when in Washington they decided it was time to strike."

"The information about this was brought from Washington by the chief of Mossad [Israel's military intelligence], Gen. Iaakov, and not from the White House—oh, no, from Langley, headquarters of the C.I.A."

"The conversation of General Iaakov with Prime Minister Eshkol, after this trip, was very characteristic:

"Are you sure, general, that no change in American position would ensue?"

"Any changes are absolutely excluded."

"A few hours after that conversation of General Iaakov with Eshkol, the war started," the article added.

NEW YORK TIMES
24 March 1973

ISRAELIS DISCLOSE 1967 SINAI LOOTING

Egypt's Property Reportedly
Taken Before the Military
Set Up Rule After War

By TERENCE SMITH
Special to The New York Times

JERUSALEM, March 23 — Millions of dollars' worth of equipment and property of Egyptian enterprises in the Sinai was looted by Israelis in the months after the June 1967 war, according to a confidential report prepared by the Israeli State Controller.

The property, mostly heavy machinery and industrial equipment owned by Egyptian mining and oil ventures, reportedly was carried away by individual Israelis and civilian contracting concerns that were engaged in various road-building, construction and repair jobs in the desert.

A reliable source familiar with the report said the looting took place in the months before the military government

established effective control in the occupied area.

The account of the looting is contained in a lengthy report prepared by the Controller, a watchdog office that serves a role similar to the United States General Accounting Office. Its reports are submitted to parliament, after which they are published.

Ministry Won't Comment

Sources in the Defense Ministry declined to comment today on the accounts of the report. They said, however, that the ministry had no objection to full publication.

The report is to be published April 25. Accounts of its contents appeared yesterday and this morning in the Israeli press. Reliable sources confirmed the press accounts as essentially correct.

The report seems likely to set off another controversy here about Israeli activities in the Sinai after the war. A major scandal developed some 15 months ago when charges of mismanagement and corruption were leveled against the directors of Netivi Neft, the government company that has operated the former Egyptian oil wells on the Gulf of Suez.

Army Errors Alleged

Details of the Controller's re-

port on the looting have been presented in closed session before the finance committee of Parliament. The committee today released a statement denying reports that it had decided to suppress portions of the report and promising that the full account of the looting would be published.

Nonetheless, Gahal, the right-wing opposition party, today demanded a full-scale debate on the allegations.

Dr. Yohanan Bader, a Gahal member of the Finance Committee, charged on the Israeli radio today that property worth "tens of millions" had disappeared from the Sinai after the war. He did not describe the equipment, but informed sources said it included drilling and mining rigs, heavy electrical equipment and industrial supplies.

"What happened to the property?" He asked. "there is no doubt that almost all of it disappeared and that there were errors by the army, government institutions and companies and private thefts as well."

Dr. Bader said he was amazed that it was possible to move heavy equipment and installations from the depths of the Sinai and to conceal them within Israel without the proper authorities being aware of it.

"To my regret, these details are not given in the report,"

he said. "But during the investigations we will ask questions and maybe we will find the answers."

In the Netivi Neft case, a special commission of inquiry was established and heard testimony for four months. No criminal charges emerged, but the commission criticized the management of the company and the director resigned.

According to Israeli press accounts of the report, individuals and civilian contracting concerns dismantled and sometimes vandalized valuable equipment left behind.

Much of the equipment, reportedly was loaded onto trucks and hauled to Israel for use or sale. According to the Israeli paper Maariv, industrial equipment valued at some \$9-million was removed from a site at Abu Zneima, on the Gulf of Suez.

This activity was apart from the officially sanctioned salvage of military equipment by the Israeli armed forces. For months after the fighting, the Israelis reclaimed and transported back to Israel hundreds of Soviet-supplied tanks, trucks, jeeps and mobile military equipment left in the sand by the retreating Egyptians.

This equipment was hauled to El Arish, where it was put on railroad cars and shipped back to Israel. Since then, Israeli armor units have been outfitted with former Egyptian tanks.

Africa

NEW YORK TIMES
26 March 1973

Torture Is Reported

GENEVA, March 25 (Reuters) — The United Nations Human Rights Commission has been told that African guerrillas in Portuguese territories are being tortured savagely. "Captured men are maimed and forced to eat parts of their bodies," said a report, made public here, by a working group

appointed by the commission. "Their wives are raped in their presence and killed. Aged parents are tortured and murdered and their flesh is offered as food," the report went on. "These barbarous repressive methods continue unabated." The report also accused the Portuguese of using napalm, defoliants and herbicides to terrorize Africans. The guerrillas are fighting the Portuguese authorities in Angola and Mozambique.

Pressure Is Asked

Those who worked on the report were Ibrahim Boye, Senegal's Ambassador to the Soviet Union, and the chairman of the group; Branimir Jankovic, a professor of international law at Belgrade University; Felix Ermacora, professor of public law at the University of Vienna; A. S. Mahi, a member of India's mission to the United Nations; Luis Marchand-Stens of the Peruvian Ministry of Foreign Affairs, and Mahmud N. Rat-

tansey, counselor in the Tanzanian embassy in Paris.

The report recommended that international pressure be applied to Portugal to treat captured guerrillas as prisoners of war, under the Geneva conventions.

Since it began its inquiries in 1967, the group reported, the living conditions of political detainees in some prisons, in South Africa had improved slightly.

But it found that inhuman and degrading treatment was still meted out at police stations and in prisons to those arrested for opposing apartheid. South Africa continued to hold the record for the number of death sentences and executions, the report added.

NEW YORK TIMES
31 March 1973

Walking to Pretoria

By Joel Carlson

Is it possible for white men to sit around a table and solve the problems of black-white relations? Can "Europeans" mould the future for blacks? Some believe it is possible. Prime Minister Vorster, classified by South Africa's race laws as a "European," and U.N. Secretary General Kurt Waldheim of Austria, meet in South Africa to hold "a dialogue." Black leaders are precluded from these talks which take place against the background of South Africa's legal network of racial discrimination — apartheid. The talks will be secret, but it is no secret that Mr. Waldheim wishes to discuss and construct a future for South Africa's expressed blacks—at least the future of Africans in Namibia (South-West Africa).

The U.N. and the World Court have ruled that South Africa's control of Namibia is illegal. South Africa has confronted the world body with its refusal to withdraw from the territory and has been condemned in General Assembly and Security Council resolutions.

In January, the Security Council passed resolutions in Addis Ababa supporting the struggle of Africans for liberation from minority white rule in southern Africa. The French, who support these white regimes by supplying them with arms and increasing their trade and investment in the area obtained assurances from "European" leaders in South Africa. They were told that a dialogue between the U.N. representatives and South Africa's white rulers would yield results. The French managed to persuade African U.N. representatives to try this course, arguing that there was nothing to lose and something to gain. These arguments are supported by the present Governments of Britain and the U.S.

Britain supports the white regimes for she has vast investments in those areas and supplies arms to South Africa. Recently her Foreign Secretary traveled to Salisbury to strike an agreement with the white minority leader, Ian Smith.

The U.S. has demonstrated its support for white regimes in southern Africa by actively encouraging further

investment and trade with South Africa (while officially denying it does just that), by providing funds and arms to the Portuguese Government and by flouting the sanctions resolution which the U.N. imposed on the illegal Rhodesian regime (a resolution officially supported by the U.S.). Despite a great stockpile of chrome in America, the U.S. Government is presently importing Rhodesian chrome even before Britain has concluded her sellout of Africans in Rhodesia.

While in South Africa will Mr. Waldheim see anyone who really opposes the white regime? The real opponents are either in underground movements or in prison or banished to remote areas of the country. Among those held on Robben Island prison are the Namibians prosecuted and sentenced in breach of U.N. resolutions, under the Terrorism Act especially enacted for them and illegally applied to Namibia. The Secretary General should strive for their release and should see them. However, whomever he sees in South Africa will be seen by him under the terror of the laws. Conversations will be monitored and mail intercepted and this is specifically provided for in the Boss Act.

Any undertaking given by Mr. Vorster that he will exempt all communications with Mr. Waldheim in South Africa from the existing wide provisions in the law will not protect South Africans in contact with the Secretary General. It is common practice for "vigilantes" acting outside the law to subject opponents of the regime to bomb attacks, shootings, kidnappings, harassment and intimidation, and to threaten them and their families. Culprits are never caught or prosecuted.

In the light of all this what can come out of Mr. Waldheim's visit to South Africa?

There will be an illusion of gain, a fiction of concession and a call for further dialogue.

The best thing that will come out of the Secretary General's visit to South Africa is that he does not bring any further divisions to the U.N. and does no harm to its image.

Joel Carlson, an exiled South African lawyer, is a senior fellow, Center for International Studies at N.Y.U. and author of "No Neutral Ground."

NEW YORK TIMES, WEDNESDAY, MARCH 28, 1973

Panthers Appear to Have Left Algeria

Special to The New York Times

ALGIERS, March 27 — The handsome villa at El Biar occupied by the Black Panthers ever since the party became an accredited liberation movement in Algeria in September, 1970, is shut and deserted.

No one answers the bell, all the shutters are closed and the brass plaque is dirty. Neighbors in the diplomats' suburb of Algiers say that all the Panthers left about three weeks ago, taking their possessions with them. They apparently have departed the country.

They left nothing behind, neighbors said.

The international section of the Black Panther party was active in Algeria under Eldridge Cleaver's leadership from September, 1970, up to his resignation as leader on Jan. 17, 1972. Cleaver was succeeded by Pete O'Neal, founder of the Kansas City section of the party. However, Mrs. Cleaver stayed on as communications secretary of the party. From then on, the organization started to fall apart.

Strain in Relations

Disagreements and strains became evident. The arrival of two hijacked American air planes in the summer of 1972 and the demands of the hijackers to be integrated into the party put a further strain on the organization. Relations with the Algerian Government deteriorated as a consequence.

Last Aug. 10 the Panther headquarters in Algeria

was raided by the Algerian police, and a reception planned by the Panthers for Aug. 18, day of Solidarity with the Afro-American People, was canceled by order of the Algerian police.

Mr. O'Neal reportedly left Algeria without notice last Sept. 25 and was succeeded by Roger Holden, a 24-year-old Vietnam war veteran and airliner hijacker. Shortly after this, Donald Cox, former field marshal of the Panthers who is a long-time associate of Cleaver, published an open letter dissociating himself from all Panther activities and all individuals connected with the movement. Mr. Cox has not been seen in Algiers since December.

Appear to Have Left

Cleaver's last public appearance in Algiers was at a news conference last Dec. 10 by President Salvador Allende Gossens of Chile. Cleaver was seen around the city for some more weeks but has not been noticed since January.

Now all members of the Black Panther party in Algeria appear to have left the country. A spokesman for the Algerian National Liberation Front, the country's single party, refused to comment and simply said he knew nothing about "the movements of members of the Black Panther party." Asked whether the organization was still accredited as a liberation movement, he would not make any reply.

There was no clue to where the Panthers may have moved. Rumors that they had transferred to Tanzania could not be confirmed.

Fat East

THE TIMES, London
16 March 1973

Italian MP reveals how secret Vatican contacts with N Vietnam paved the way to peace talks

Communists took papal message to Hanoi

From Peter Nichols
Rome, March 15

The Italian Communist Party not only transmitted a letter from the Pope to Hanoi in 1966 which virtually opened exchanges between North Vietnam and the Vatican, but went on to maintain contacts between the Vatican and the Vietnamese Communists.

A Communist deputy on his return from Hanoi was invited to leave a written account of his impressions as a brief for the Pope, who was about to receive Mr Henry Cabot Lodge, the American Ambassador in Saigon at the time.

Cooperation on Vietnam between the Communist Party, a leading Jesuit and the Vatican is described in an interview with Signor Antonello Trombadori, one of the Communist deputies concerned, which will be published in Rome tomorrow by the weekly magazine *Panorama*.

The interview came after the Vatican's confirmation that in 1966 the Pope had made use of the good offices of Signor Enrico Berlinguer, now head of the party, who at that time was deputy secretary, to take a memorandum to Hanoi. Signor Trombadori was a member of the delegation of three led by Signor Berlinguer that went to Hanoi in December, 1966. The other member was Signor Carlo Galluzzi.

Signor Trombadori says that it was his idea to inform the Vatican that the delegation was about to leave for Hanoi. He had had occasion to be close to the Pope when reporting on papal journeys for the Communist newspaper *L'Unita*.

The first contact was made by another Communist journalist, Signor Libero Piccantozzi, who specialized in religious affairs, with Father Giuseppe de Rosa, a Jesuit, who writes for *Civiltà Cattolica*.

Signor Trombadori then called on Father de Rosa at the offices of the Jesuit periodical and left a letter addressed to the Pope in which the offer of good offices on condition of strict secrecy was made.

A week later, on the eve of the delegation's departure, Signor Trombadori was asked to call and see Father Roberto Tucci, editor of *Civiltà Cattolica*, one of the most open-minded and brilliant figures among the progressive forces at the Vatican.

Father Tucci read him the text of a memorandum from the Pope and gave him a copy to take to Hanoi. Signor Trom-

badori asked what use he should make of it and received the reply: "What you want and what you can." Father Tucci insisted that they should meet again immediately after the delegation returned "without losing an instant".

Signor Trombadori has kept the original "in this green file just as I received it, six years ago". He summarizes its contents ("It is, after all, a matter of history now") as follows:

"In the introduction there was a reference of courteous and precise acknowledgment to the person who had shown his willingness to act as bearer of the message.

"In the following passage, the Pope explained that he could not be indifferent to the difficulties placed in the way of the spreading of religious truth in Vietnam, but he dwelt on the principle of his equally good disposition towards the people both of North Vietnam and of South Vietnam. He considered the two as forming parts of one Vietnamese nation which, he said, he wanted to see ordered as such, in peace and prosperity.

"Paul VI went on to recommend dialogue as the right path to follow without delay, and stated clearly that only a negotiation would be able to provide an end of the war guaranteeing the honour, liberty and security of North Vietnam and South Vietnam in a spirit of justice and concord. Elsewhere the Pope showed evidence of his impartiality in the Vietnam question."

Asked whether he thought the memorandum was of a level required by events at the time and fulfilled his hopes, Signor Trombadori replied:—

"Yes and no. Certainly, it reflected various requirements of balance at a time in which, as has already been pointed out, highly placed persons of the Catholic hierarchy were asking Paul VI, following pressures from the most reactionary forces in America and Europe, to align the position of the Church to that, for instance, of Cardinal Spellman and of the Saigon episcopate."

"Today I can see still more clearly that a balance was observed, I would say with obstinacy, against every propagandist temptation. This point did not escape Luigi Longo, then party secretary, during the meeting of the secretariat held to check the final arrangements for the mission to Hanoi on November 29 before leaving for Fiumicino Airport."

Asked how the North Vietnamese reacted, Signor Tromba-

dori says: "Berlinguer has already drawn attention in the past few days to the interest they showed for certain features of the document, so much so as not to give so much weight to the passages which were not acceptable to them.

"In the first place, the general tone of sincerity; secondly, the concept of the 'Vietnamese nation' defined as one whole, and the appeal to negotiate in connexion with the 'guarantee of honour and of liberty and with the 'Spirit of justice and concord' and, again, the concept of papal 'impartiality'.

"What the memorandum lacked was any reference to responsibility for the aggression (I still have in my ears the sound of the gentle and delicate voice of the young member of the Liberation Front, Ngoc Dung, who today is at Saigon in the mixed military commission as representative of the Provisional Revolutionary Government, and who happened to be with us in the flight from Moscow to Peking: 'You must explain to His Holiness, you who are Italian, who are the aggressors in Vietnam'."

He went on: "But if one thinks of the value the concepts of 'honour' and 'national concord' have had in the meantime for building the road which led to the Paris agreement, one can perhaps understand why from then on the Hanoi authorities were not insensitive to the type of ethical and political attention given by Paul VI to the tragedy of their people."

Signor Trombadori remained in Hanoi after the departure of his two colleagues and experienced the American bombings of December 13 and 14, 1966. The day after his return to Rome he saw Father Tucci.

In January, 1968, he was asked by Signor Berlinguer to inform the Pope of the newly evident readiness of North Vietnam to begin serious negotiations. Four months later the Paris conference began.

Signor Trombadori concludes with the thought that representatives of the Hanoi Government and of the Provisional Revolutionary Government have now passed through the gates of the Vatican. A dialogue has begun.

Decisive contributions have come from the constantly greater clarity shown by the Pope on the question of the American bombardments and on the concept of peace being "possible and therefore obligatory", and from the Communist Party's initiative, though with both sides maintaining their critical firmness.

NEW YORK TIMES
3 April 1973

A TORTURE VICTIM ASKS AID TO HANOI

Top U.S. Diplomat-Prisoner
Calls for Forgiveness

By BERNARD GWERTZMAN
Special to The New York Times

WASHINGTON, April 2—The highest-ranking American diplomat held prisoner in Vietnam said today that despite torture and four and a half years of solitary confinement, he advocated giving American economic aid to North Vietnam "to generate a stable peaceful coexistence" between the two countries.

At a State Department news conference, Philip W. Manhard, looking gaunt and tired after five years in captivity, said, "I think that this country has an admirable tradition, a spirit of generosity and forgiveness, a Christian tradition, to heal the wounds of war."

"The Vietnamese people need this," he added. "Human needs go beyond ideology and the hardships of the past."

But even as Mr. Manhard was supporting the Administration's policy of providing aid to Hanoi, several members of Congress were strongly attacking the North Vietnamese for their alleged treatment of prisoners and creating further doubt that Congress will approve a program of aid to Hanoi.

Representative Joel T. Brodyhill, Republican of Virginia, reflected the views of many colleagues when he said that the accounts of prisoner torture related in recent days by the returning prisoners "convince me that not a cent of American aid money should be spent on rehabilitating a country that is apparently run by savages."

Another Congressman, in a bitter attack on Hanoi and on draft evaders in this country, said that the United States should "solve" the aid question by sending the evaders to work in North Vietnam.

"If those in America who evaded military service loved the North Vietnamese too much to fight them, perhaps they still love them enough to help them in their reconstruction program," said Representative Jerry Litton, Democrat of Missouri.

Rep. John McCollister, Republican of Nebraska, said: "The hell with 'em. I would not vote a bus token to North Vietnam. If the North Vietnamese want money, they can get their good friends Ramsey Clark and Jane Fonda to take a collection for them."

The issue of aid to Hanoi, which has received Administration support, has run into Hill. Congressmen of both parties have asserted that national needs should have priority over aid—and the pris-

THE ECONOMIST MARCH 24, 1973

Visit to a ghost village

FROM A SPECIAL CORRESPONDENT

oners' stories have apparently increased the opposition.

Following the release of the last prisoners held by the Communists, dozens of former prisoners have given accounts of torture and solitary confinement.

In most cases the men have not criticized the Administration's aid policy. Except for Mr. Manhard's statement today, however, the prisoners generally have not been enthusiastic about aid.

For instance Col. Norman C. Gaddis of the Air Force said on television yesterday that he had complete confidence in President Nixon and Congress and "if they decide to give assistance then I will support it wholeheartedly."

The Administration's current position is that no specific aid program has been promised to Hanoi and none will be proposed to Congress unless Hanoi abides by the terms of the cease-fire agreements and stops its infiltration into the South.

The Administration is not expected to propose any program until May or June at the earliest, in the hope that by then the opposition on Capitol Hill will have been reduced. PU 4th ad Aid

At the State Department news conference, Mr. Manhard spoke in a voice so low that he often could not be heard distinctly. He said that he was captured in Hue in January, 1968, during the Tet offensive, and was taken to North Vietnam partly on foot and partly by truck.

He said that he was in solitary confinement for all but six months of his five year or so captivity.

Asked how he was able to endure that condition, he said: "I tried to dwell on the positive and happy things that had happened before my capture. These memories sustained me, plus faith in my family and my country."

He said that he killed ants in his cell and counted them, one by one. Mr. Manhard said he tried to exercise but was "rather weak." He also said that he made chess and checker pieces from pieces of break, "but found I couldn't play chess alone."

Mr. Manhard, who is 51 years old and a Grade 2 officer, one step away from top career rank, said he was tortured once, for 15 hours in 1968.

He said he was tortured because his interrogators did not like his answers to questions about political and military affairs in South Vietnam. He was strung from the ceiling and passed out several times, he said.

Asked about aid to North Vietnam, he said that "in spite of the hardships I and others underwent, I think the best interest of our country and people lies in trying to generate a stable peaceful coexistence."

The so-called ceasefire may not have changed life much in most parts of Vietnam, but it has allowed foreign correspondents to visit areas held by the Vietcong without being shot at or arrested by the communists. The Vietcong command seems to have given orders that journalists be welcomed wherever they turn up. Although the South Vietnamese government dislikes the publicity these visits have given to the communists, it has conceded that foreign journalists have the right to make them. They cannot take Vietnamese assistants with them, however, since it is illegal for South Vietnamese citizens to have contact with the Vietcong, and a western journalist seen leaving a Vietcong area may have his film and notebooks confiscated.

Inevitably the Vietcong have had a goodish press, partly because of the attractions of their Robin Hood style of life, partly because they are a new story. They have not said much that is very striking. Nevertheless, a visit by this correspondent to one Vietcong area less than an hour's drive from Saigon did make it easier to understand how the Vietcong hope to turn the ceasefire to their advantage, and why the Saigon government so dislikes certain parts of the Paris agreement.

This area had once been well organised by the communists, but was then heavily fought over and eventually "pacified" in the sense that the intensity of the fighting, and the government's orders to move, drove peasants out of the Vietcong-organised villages into quieter settlements. The particular village your correspondent visited, which was only a couple of miles off a main road, had a population of a few thousand in 1968. Today it has about 200 inhabitants, mostly women and children. Puny enough, you think, until you understand how the village links up with the countryside and the government-controlled villages two or three miles away where many of the refugees now live.

With the coming of the ceasefire, many of these refugees want to cultivate the old land they were forced off by the fighting. The more courageous among them are now going back to their old fields in the daytime. This year's very bad rice harvest has given them an unexpectedly pressing reason to put this land back into use. So the Vietcong's policy of drawing peasants back into the abandoned areas coincides in this instance with the farmers' personal interest.

Immediately after the ceasefire began, the government seemed bent on freezing the countryside so that there was no movement between government areas and the Vietcong-held pockets. So far as one can tell,

this has proved impossible in many areas, including this one. But the government is trying to make movement as difficult as possible. Its troops sweep the area, telling peasants to leave it, and sometimes pulling roofs off houses. Neither farmers nor the Vietcong village chief seem very upset about this, largely because the soldiers often do the job half-heartedly. Artillery fire at night from government batteries into the Vietcong zone is also designed to discourage farmers from moving back to the village.

The Vietcong's armed men pull out when their opponents move in, but the government's troops get a hard time from the women, who reproach them for breaking the ceasefire. The Vietcong, by contrast, can play the role of injured innocents; and their propaganda concentrates on the parts of the Paris agreement that talk of reconciliation and democratic liberties.

Of course, this is only one part of the Vietnam story. What the communists' underlying intentions are is difficult to say. It is obvious that in the past two months they too have often violated the ceasefire. But in this particular village the Vietcong have everything to gain from a scrupulous adherence by both sides to the ceasefire agreement, because this would eventually destroy the government's system of population control and bring peasants back into the depopulated Vietcong areas. The vitality of the Vietcong's policy comes from its identity with the immediate interests of the peasants.

The 20 or so guerrillas in the village (all southerners, to judge by appearance and accent, with the chief a local man born and bred) are in military terms vastly inferior to the surrounding government forces. Their expectations depend on the peasants' complicity—a complicity which at present comes from the farmers' desire for land and peace. Any doubts about the extent of this were dispelled by the walk to and from the village. Every peasant one met was a willing guide through the government lines.

It is difficult to generalise from one visit, but one would expect to find other such ghost villages in places that share the same history of strong Vietminh and Vietcong organisation, heavy fighting and forced population movement. Other areas would be quite different. The government's problem is how to stop farmers going back to their old land and homes without making itself unpopular. The signs are that the longer the ceasefire continues, the harder that will be in whatever portion of Vietnam resembles this village, and the more plausible the Vietcong's claim will become to be running a state within a state. A minority state by a long way, no doubt, but even so an intolerable challenge to any government that professes militant anti-communism of President Thieu's sort.

THE EVENING STAR and DAILY NEWS
Washington, D. C., Monday, April 2, 1973

China Moves Isolate Tibetan Refugees

By HENRY S. BRADSHER
Star-News Staff Writer

HONG KONG — The new political atmosphere of China's more friendly foreign relations has created a crisis of self-examination for Tibetan refugees, most of them now in India.

Most of the refugees fled from Tibet after China tightened its control of the province in 1959. New Delhi's desire now to normalize relations with Peking more than a decade after their Himalayan border war has added urgency to long-mountaining questions about the refugees' future.

The followers of the Dalai Lama, spiritual leader of the Tibetan form of Buddhism and political focus for the refugees, can see three main possibilities now open to them:

- To remain as isolated communities in India, increasingly likely to be assimilated and disappear.
 - To try to revive the armed revolt inside Tibet, possibly with Soviet help but maybe over Indian opposition.
 - To try to make a deal with Peking to go home.
- None of these possibilities is easy.

UNTIL SOME decision is reached on what to do, the refugees are keeping a guarded silence. The Dalai Lama recently skipped making his usual public statement on the anniversary of the 1959 Lhasa uprising.

The Dalai Lama, an eagerly intelligent youth of 24 at the time, fled during the uprising. After Chinese Communist soldiers in 1951 asserted a centuries-old claim to his isolated land, he had tried to maintain his medieval system of government under Peking's tutelage — but found it impossible.

Some 85,000 refugees followed him across the Himalayas into India. China then tightened its control of the bleak, lofty land.

Some needed social and judicial reforms and economic progress resulted, but resentment of Chinese rule did not disappear.

The Chinese themselves continue to complain about "the criminal plots of a handful of class enemies . . . and capitalist trends" in Tibet. This is an admission that some Tibetans are resisting their control, viewing it more as colonialism than reform.

Time has worn down the rebels who originally opposed the Chinese soldiers, however. The revolt which sputtered across Tibet for several years before and after the 1959 uprising has subsided.

TIBETAN refugee spokesmen in India claim that a new generation of rebels has been bred under Chinese control to replace those who fought the original imposition of Communist rule. Reports of uprisings and scattered fighting still cross the mountains to India.

Soviet radio broadcasts in the last few years have been

publicizing this unrest as part of the aniping in the Sino-Soviet propaganda battle.

A Soviet broadcast in mid-March quoted refugee reports as saying rebels are continuing to attack Chinese airfields and other military installations. "It is even said that an attack on a newly built rocket base is being prepared," the broadcast added without elaboration.

This kind of report is coupled with the fact that some young refugees want to seek Soviet weapons and other aid to go home and fight the Chinese. Whether any contacts have been made, and what the Soviet attitude would be, are unknown here.

There is, however, an interesting parallel between this and the upsurge of Soviet interest in Taiwan in recent years. Moscow apparently is casting around for ways to encourage difficulties for Peking.

India has been involved in training and possibly even using refugees for guerrilla warfare against the Chinese in Tibet. But now India seems more interested in improving relations with Peking than in keeping Tibet aflame.

CHINA HAS reciprocated India's interest in better relations.

It recently filled a diplomatic post in New Delhi that had been deliberately left open since October 1971, although the embassy remains without an ambassador. India wants to exchange ambassadors for the first time since 1962, but

China is waiting for the Indians to make the first move.

As part of this rapprochement, India accepted China's protest to the United Nations that the Tibetans in India should not be classified as refugees. And last year External Affairs Minister Swaran Singh said Tibet's form of government is "a matter within the sovereign right of the central government of China."

The refugees saw this as an abandonment of Indian support for Tibetan autonomy. They feared it would lead to more erosion of the backing they have received from New Delhi.

The Commission of Tibetan People's Deputies, which advises the Dalai Lama, has been considering alternatives for the future.

The one that has been very little discussed in public so far is of making some sort of peace with China that allows the refugees to return to Tibet with a degree of self-government.

Skeptics among the refugees are doubtful the Chinese would concede any meaningful autonomy to Tibet. They contend that the pattern of Chinese rule in other minority regions is of tight control and eventual submergence of the minority peoples under the weight of Chinese settlers.

It is this belief which makes the prospects now appear dismal to this refugee group.

NEW YORK TIMES
3 April 1973

'Windup' in Cambodia

No one can dispute Secretary of Defense Elliot L. Richardson's assertion that "it would be very difficult" for the Cambodian Government of President Lon Nol to survive without the massive American air support it is currently receiving. The commander in chief of Cambodia's crumbling forces has said as much.

But that is not the issue. The question for Americans is whether the survival of the present regime in Phnom Penh is sufficiently vital to United States interests to justify prolonging a war from which this country has presumably disengaged and for repudiating at this critical stage of disengagement the sensible self-help policy that was proclaimed in the Nixon Doctrine.

Under the Constitution, that is a question that cannot be decided by the President and his aides alone. The with-

drawal of the last American ground combat soldier from Vietnam has removed the last possible justification—and a lame one, at that—for unilateral direct military intervention in Indochina by the President.

Secretary Richardson only sidestepped this vital issue when he said: "Basically, I believe that our Constitutional authority rests on the circumstances that we are coming out of a ten-year period of conflict. This is the windup."

That is just what is worrying thoughtful members of Congress. Instead of finally concluding the war in Indochina in accordance with its popular mandate and the expressed will of Congress, the Administration appears to be laying the basis for repetition of the Vietnam tragedy in Cambodia, if not for resumption of direct military intervention in Vietnam itself. Congress has a constitutional obligation to challenge such extension of Presidential war-making authority, which has implications far beyond Indochina.

WASHINGTON POST
1 April 1973

THE CANBERRA, AUSTRALIA TIMES
17 March 1973

U.S. Aid Pledged To Hanoi

By Carroll Kilpatrick
Washington Post Staff Writer

SAN CLEMENTE, March 31—The Nixon administration has no intention of abandoning its commitment to aid to North Vietnamese recovery despite indignation over Hanoi's treatment of prisoners of war.

That was the official comment of spokesmen here, today as President Nixon prepared for his first meeting with South Vietnam's President Nguyen Van Thieu since July, 1969.

Thieu is to arrive in Los Angeles Sunday for the meetings at the Western White House here Monday and Tuesday. Demonstrations against and in support of Thieu are being planned both here and in Los Angeles, but officials indicated they do not expect any trouble.

In President Nixon's speech to the nation Thursday, he made no mention of the promise he had made earlier to give postwar reconstruction aid to North Vietnam.

The tough warnings to Hanoi in the speech, plus stories of mistreatment of American prisoners and the vigorous opposition in Congress to aid to North Vietnam, led some observers to conclude that the assistance effort might be dead.

An authorized spokesman as well as officials speaking privately said today, however, that the President has not changed his position and intends to live up to the commitment in the cease-fire agreement. The agreement said that the United States will contribute to "healing the wounds of war and to postwar reconstruction of the Democratic Republic of Vietnam and throughout Indochina."

In addition to the Paris commitment to aid Hanoi, the United States agreed during Henry A. Kissinger's February visit to North Vietnam to establish a U.S.-North Vietnam Joint Economic Commission to develop economic relations between the two countries. That commission is now meeting in Paris.

An official emphasized here that Mr. Nixon, while disturbed not only by the treatment of American POWs but also by Hanoi's military movements, nevertheless is convinced that the most important objective is to have all

Police raids on two ASIO offices

By a Staff Correspondent

Australian Security Intelligence Organisation offices in Canberra were visited by Commonwealth Police officers late on Thursday night as an apparent prelude to the raid on ASIO headquarters in Melbourne yesterday.

An informant said last night that the visit to the Canberra office of ASIO took place soon after Parliament had risen. Senator Murphy had accompanied the Commonwealth Police officers.

The few ASIO staff on duty in the Canberra office on the fifth floor of the Anzac West building were forbidden to speak to their superiors as Commonwealth Police searched for files they believed to be stored in Canberra concerning the activities of dissident groups in the Croatian community.

ASIO's counter-subversion unit has kept the Croats under strict surveillance for several years.

It is believed that the Attorney-General's Department asked the ASIO last week what it had found out about the Croatian movement during the past 10 years, what action it

sides abide by the cease-fire agreement.

The President is expected to tell Thieu that the way to achieve peace in Indochina is through "positive acts" and that "a dynamic approach to peace" is required despite all the previous bitterness and violence.

White House press secretary Ronald L. Ziegler said yesterday that the two presidents will confer on "postwar eco-

had taken to stop it, and what information it withheld from the previous Government about the movement.

An employee of the Melbourne office of ASIO said that about 50 Commonwealth Police had entered the office soon after it opened for general business.

"Some of the women broke into tears when they were forced from their desks and ordered to touch nothing, not even their personal possessions", he said.

Croat terrorists

The Melbourne raid included a former Commonwealth Police inspector, Mr Kerry Milte, who left the force about three years ago and is now employed as a solicitor in Melbourne.

It is understood that Mr Milte has been retained by the Attorney-General's Department to help conduct an investigation into the activities of Croat terrorists.

State police said yesterday it was apparent that the search of the ASIO files had been ordered because of the organisation's reluctance to give information to the Commonwealth Police.

One officer said police special branches throughout Australia were reluctant to co-operate with the Commonwealth Police in many areas because of what they regarded as their lax security.

economic, political and military relationships between the two countries."

The military relationships may interest Thieu as much as the economic, and he is bringing with him the chief and assistant chief of the joint general staff.

But he also is bringing, in addition to his foreign minister, both the minister of economy and the minister of finance. In addition to their talks here, they will meet with American economic experts in Washington and with World

It is believed that the authority to search the files was issued by the Attorney-General's Department, which controls both ASIO and the Commonwealth Police. Senator Murphy was present during the searches.

Partly because of information gathered by the ASIO counter-subversion unit, the Government was advised several weeks ago to defer or cancel the invitation to visit Australia issued to the Yugoslav Prime Minister, Mr Djemal Bijedic.

Mr Bijedic's visit will be surrounded by the tightest security arrangements ever implemented in Australia.

An RAAF Iroquois helicopter containing police marksmen will fly ahead of the visiting Prime Minister's car and will hover over any outside gatherings at which he is present. About 30 armed Yugoslav secret service agents accompanying Mr Bijedic are expected to mingle with any crowds which might develop.

All building along the routes planned for him have been surveyed from the air to check their security potential.

ACT Police have protested previously about the presence of armed guards with foreign visitors to Canberra but it is not known if they have protested against Mr Bijedic's guards.

Bank President Robert S. McNamara.

Pham Duong Hien, director general of overseas information, said in Washington this week that Thieu will seek assurances from Mr. Nixon of guaranteed military support if North Vietnam resumes large-scale war.

"In case the Communists break the agreement with a large-scale and blatant invasion, we want some kind of guarantee that the U.S. will not permit North Vietnam to do so," the South Vietnamese

THE CANBERRA, AUSTRALIA TIMES
17 March 1973

Effectiveness of ASIO jeopardised

By a Staff Correspondent

spokesman said.

"Much depends on the firm attitude of president Nixon. If they realize he would react militarily to a blatant violation of the agreement, then they may resort only to small-scale guerrilla activity."

That request could be the most difficult for Mr. Nixon to answer clearly, and it may in part explain the tough attitude he took in his Thursday speech. Not only did he speak emphatically on the need for "keeping the strength" of America, but he heaped scorn on what he called the "weak, soft and self-indulgent" who advocated "peace at any price" in Vietnam.

Obviously, the President is continuing to use both the carrot and the stick with North Vietnam, yet he must know that Congress will oppose his offering of the carrot and scream wildly if he should again use the stick.

As Thieu departed today from Saigon for the flight to Honolulu, where he held his first conference with an American President seven years ago, he said his journey would "mark a new era" in U.S.-Vietnam relations. That, indeed, is what the conference here Monday and Tuesday is all about.

Thieu expressed optimism that the meeting will lay a "foundation suitable to the new situation that is postwar and peace era."

"My trip will mark a new era in which the United States and South Vietnam will share difficulties as well as glories," the South Vietnamese president said. "That is why I have baptized my plane 'Cooperation in Peace.'"

Thieu will have an opportunity not only to express to the President his concerns about the cease-fire and Hanoi's intentions, but to hear from the President his plans to "normalize" U.S. relations with Hanoi and Peking.

The working out of a new United States relationship with Asia's Communist leaders directly concerns Thieu, and he wants to hear from Mr. Nixon how the new directions in American policy will affect him economically, militarily and politically.

The nature and dimensions of the Saigon-Washington relationship will inevitably change at the very time that Thieu is facing new and difficult problems domestically.

After his meetings here, the South Vietnamese leader, who has never been to the United States mainland, will fly to Washington and later to the J.R.I. Ranch in Texas to pay his respects to Mrs. Lyndon B. Johnson, widow of the President who sent more than a half-million American troops to fight in South Vietnam.

It is significant that when he leaves this country he will visit not only London and Rome but his chief friends in

Police intelligence experts believe that yesterday's examination of Australian Security Intelligence Organisation files by Commonwealth Police officers may have destroyed ASIO's effectiveness.

The security of its files had been one of ASIO's major guarantees of co-operation from State police and foreign intelligence units, a State police officer said.

He said that for several weeks both British and US intelligence agencies had been withholding from their Australian counterparts much of the information they traditionally supplied it until they ascertained the new Government's intentions for the security service.

The basis of intelligence work was co-operation between forces and the absolute guarantee of confidentiality. This applied equally to State police as well as international intelligence-gathering agencies.

ASIO was held in high regard by other forces because of its ability to keep things to itself. He gave as an instance the fact that the former director of the US Central Intelligence Agency, Mr. Richard Helms, had been in Australia for more than three weeks last year before the Press learned of his visit.

"Even then the news only got out because it was released. It was a classic operation", he said.

Now that it was known that an outside force had been through the ASIO files its sources of information would probably dry up completely.

"Who knows what else they looked at or even copied?", he asked. He believed that ASIO officers from Canberra and Sydney and possibly other centres had been present during the Commonwealth Police search but only as observers and to assist in ensuring that nothing was withheld.

Even the ASIO files on Croat activities in Australia would involve both the British and US intelligence operations. It was obvious that each service would have people in Yugoslavia and they would supply information to their Governments on the Croats which would be relayed to ASIO.

Nobody denied that sections of the Commonwealth Police were highly efficient but it was obvious that there was little trust between the two forces.

CHRISTIAN SCIENCE MONITOR
31 March 1973

Mr. Thieu's prisoners

President Thieu this past week freed more than 1,000 civilian detainees, including former presidential candidate Truong Dinh Dzu.

This act of clemency does not go far enough. Thousands more of Mr. Thieu's political opponents are still in jail. One of the best known among them is Tran Ngoc Chau, who helped draft the anti-Communist pacification program and is widely respected by the American advisers who worked with him. Mr. Chau was sentenced in 1970 to a 10-year term after being convicted by a military court for having illegal contacts with his brother, a spy for North Vietnam. Some American officials are said to have been aware of Mr. Chau's meetings with his brother and even to have encouraged them.

It is impossible to say exactly how many political prisoners are still detained in the South. The figure of 200,000 put forward by some sources is certainly inflated. American sources say the total number of civilians in South Vietnamese jails was never more than 40,000. This figure embraced prisoners of all cat-

egories — Viet Cong suspects, draft dodgers and common-law criminals as well as political opponents of the regime. The same sources put the present head count of civilian prisoners at 20,000 to 25,000.

The Paris agreements include a requirement that the Saigon government and the National Liberation Front do their utmost to resolve the question of captured "civilian personnel" within 90 days of the agreements' taking effect. This terminology does not cover Mr. Thieu's non-Communist opponents who have been jailed for purely political reasons.

The fate of the political prisoners and the treatment they have received have been a matter of deep concern to many Americans. With the war officially over and South Vietnam committed to the search for political reconciliation, the excuse for keeping anyone in jail on purely political grounds is increasingly slender. Moreover, many of those in jail might play a valid role in the "third segment" or neutral force which is supposed to participate with the Thieu regime and the NLF in preparing for elections for a unified government.

In announcing his limited prisoner release President Thieu was probably helping prepare the stage for his meeting with President Nixon in California. We trust that Mr. Nixon will urge his guest to go beyond this.

Asia, South Korea and Taiwan.

For Thieu, who has wanted to visit America ever since he became president, his trip is of enormous significance, and it may be no less so to Mr. Nixon as he attempts to bring about a new era in America's relations with the Asian and Pacific nations.

THE CANBERRY, AUSTRALIA TIMES

19 March 1973

ASIO: government adviser

By a correspondent

Australia has a security intelligence organisation for one very simple reason: there are people in this country who serve other governments, or other international movements, and who are prepared to damage our government or society for their alien purposes.

The Australian Security Intelligence Organisation in its present form was created by the Labor Prime Minister, Mr J. B. Chifley, in 1949. It was formed because friendly States, notably Britain and the United States, had discovered that confidential information given to the Australian Government was rapidly conveyed to Moscow. Australia could not be trusted unless the leaks were stopped. Chifley, as loyal an Australian and as true a democrat as ever lived, was convinced by the arguments and set up ASIO with the help and guidance of the British intelligence service known as MI5.

There is a great deal of misunderstanding in Australia about what ASIO does or can do. It is not a police force; as the relevant section of the ASIO Act states: "It is not a function of the organisation to carry out or enforce measures for security within a department of State or authority of the Commonwealth".

It cannot arrest anyone. It cannot protect anyone. Any arrest or protection must be effected by the Commonwealth Police, who must be satisfied that there is valid cause.

ASIO cannot dismiss a public servant, or prevent one from being employed. It investigates and reports on any situation or persons that may harm the security of Australia. Government requires that anyone who has access to confidential State

information must be deemed trustworthy. ASIO is the organisation that assesses that trustworthiness and reports to the Minister concerned, who can ignore it if he wishes.

Because there are individuals and organisations serving foreign governments, or who would like to see Australia's democratic system replaced by something more authoritarian of the Right or Left, ASIO tries to find out about the people concerned and to warn the relevant ministers or their departments.

Because it is an auxiliary of government, ASIO like any government department will reflect in good measure the preoccupations of the government of the day. ASIO's Minister is the Attorney-General, but the organisation's director-general has also traditionally had direct access to the Prime Minister. Thus if Cabinet is especially concerned about the activities of a particular extremist group, it will convey that concern to ASIO.

But ASIO's brief goes much wider than particular Cabinet directives. It must inquire, under its charter, into whatever situation may damage the security of Australia, irrespective of political pressures.

Telephone taps

From time to time people complain that their telephones are being tapped by ASIO. In fact, modern tapping techniques, whoever employs them, are unlikely to give any indication to the user. ASIO has no power of its own to tap telephones. Other than in an emergency, if it believes there is a case for such surveillance, it advises the Attorney-General, who decides whether or not the step shall be taken. In an emergency, the

director-general may act, but must obtain the Minister's agreement within two days.

Some people believe that they ought to be able to appeal against an adverse decision taken on the basis of ASIO advice. There is nothing to stop such an appeal. ASIO certainly has no power to stop it, and some time ago the organisation is believed to have framed procedures for formal appeals. The Liberal-Country Party Government did not get around to setting up the machinery. A Labor Government could do so, as its platform indicates, any time it wanted to. The sources of information would have to be protected.

Information — that is what ASIO is all about, and the integrity of its information is vital to its existence and usefulness. Sources of information must of course be evaluated for reliability. All information must be checked and counterchecked. In a democracy, people must be given the benefit of any doubt. But this does not mean that someone about whose loyalty reasonable doubts exist should be put into or kept in a position of national trust. This happened with Philby, who gave away his country's secrets, and sent hundreds of his compatriots to certain death.

What are ASIO's sources of information? Most of them are ordinary Australian citizens, the referees nominated by people who are candidates for positions involving access to classified information. ASIO obviously must have its own staff to inquire where they can within the law about matters of security importance. Some people will volunteer information about extremist or disloyal groups if they know they are safe from reprisal.

Foreign governments have for years given Australia information about international espionage and extremist movements. Australia's friends overseas will be thunderstruck at the awesome implications of the Attorney-General's action in arranging Friday's raids. The security operations of this country have been jointly in the hands of ASIO and the Commonwealth Police, and depended on their mutual trust and co-operation.

Some ASIO people have no doubt been a bit flatfooted, not always as intelligent or effective as one would like. So have members of MI5, the CIA and the KGB, and probably every other security organisation in the world. ASIO has no monopoly on wisdom or integrity or judgment, and would not claim to have. That is why, as Chifley arranged, it is an auxiliary and not an executive arm of government.

Combine ASIO and the Commonwealth Police, and put both at the personal whim of the Attorney-General, and we are approaching a police State.

Who will be pleased at Senator Murphy's extraordinary actions? Every communist government, every right-wing extremist in the country, every foreign agent or spy, everyone with a past of improper political activity he would like to see expunged from official records.

It is unfortunate that Australia needs a security service, but only the blind or the enemy would say that it does not need one. ASIO has been a frequent target of amused, ignorant or malicious attacks, and perhaps also of reasonable criticism. It could doubtless be improved, but it must not be destroyed, or we run the risk of destroying our society with it.

THE CANBERRA, AUSTRALIA TIMES

17 March 1973

Statement by Murphy

MELBOURNE, Friday. — The Attorney-General, Senator Murphy, asked why the Commonwealth Police had raided ASIO, said in Melbourne today, "I visited ASIO offices today but I will not be making any statements".

Later, a statement by Senator Murphy was issued in Canberra, and said:

"Today I paid two visits to the offices of ASIO — one to the Headquarters in Canberra and

later to the national headquarters in Melbourne.

"At the Melbourne headquarters I conferred with Mr Barbour, the Director-General, and senior officers and addressed ASIO staff.

"I was accompanied by Commonwealth Police officers involved in investigations of Croatian terrorist activities in this country. I inspected certain files.

"Measures have been taken for the safety of the forthcoming visit by the Yugoslav Prime Minister. I have been assured by those responsible that all necessary precautions have been taken for the safety of him and his party.

"I have directed maximum co-operation be-

tween law enforcement and security bodies.

"The most stringent security measures are necessary for the Prime Minister's safety because of the existence in our midst of Croatian revolutionary terrorist organisations. These were tolerated by the previous Government which even denied their existence.

"I want to make it clear that terrorist activities will no longer be tolerated in Australia. The Government is determined to stamp out terrorism".

The Leader of the Opposition, Mr Snedden, criticised the Government in Canberra yesterday

over the events involving ASIO and suggested that the visit to Australia next week of the Prime Minister of Yugoslavia, Mr Bjedie, be called off.

"If the Government believes it is unable to assure the safety of the Prime Minister of Yugoslavia, it is their responsibility to suggest that the visit be postponed", Mr Snedden said in a press statement.

He called for full information on the matter.

Senator Greenwood, who was Attorney-General in the previous Government, described last night the incident as a raid.

He was speaking on the ABC television program "This Day Tonight".

"If you go to a place and take away documents which the people inside don't want you to take away I think it is fair to call it a raid", he said.

WASHINGTON STAR
27 March 1973

Fatal China Mission

By OSWALD JOHNSTON
Star-News Staff Writer

"On the night of Nov. 29, 1952, a public security unit of the Chinese People's Liberation Army stationed in north-east China shot down over Kirin Province an American C47 plane, which sneaked into our territory with the markings removed intentionally.

"Pilots Norm Schwartz and Bob Snoddy were killed, but captured were two American citizens, John Thomas Downey and Richard G. Fecteau,"—New China News Agency, Nov. 23, 1954.

The public revelation from Peking that two American civilians were tried and convicted of running a spy mission into China was one of the sensations of the cold war. Both men are now released and returned to their families.

But the two pilots remained largely forgotten men for more than 20 years, their mission role unconfirmed by the U.S. government, their disappearance enveloped in cover stories and the identity of their real employer still a mystery.

U.S. officials have in the last few weeks acknowledged that Robert C. Snoddy and Norman A. Schwartz, the pilot and co-pilot of the Downey mission, were killed when the plane crash landed.

But for the two families—Snoddy's in Cresswell, Ore., and Schwartz' in Louisville, Ky.—the latest account is only the most recent chapter in a long and tangled succession of intelligence cover stories and, it now appears, deliberately falsified reports.

False Account Cited

From life insurance documents recently made available, it is clear that CIA and Air Force officials collaborated in an elaborate false account of Schwartz' and Snoddy's deaths within a week of the downing of their plane. There was no public report of their deaths until the New China News Agency account nearly two years later.

WASHINGTON STAR
3 April 1973

Newlyweds Blasted

Actress Jane Fonda has been nominated for the "rottenest, most miserable performance by any one individual American in the history of our country" by Rep. Robert H. Steele, R-Conn.



Miss Fonda received the "nomination" in a floor speech yesterday for her weekend remarks which characterized returning U.S. prisoners of war as "hypocrites and liars."

"She has never met the men she has branded," Steele said. "Can this pampered, privileged young actress be so egotistical and naive as to think that her brief

On the strength of that false account, at least \$75,000 in life insurance was paid out to the families of the two men.

Some of these payments were made after it was clear to the families that the initial account of the crash was false, and the hope the two men were alive haunted the families for years afterward.

There remained a possibility that Snoddy and Schwartz were imprisoned in China along with John T. Downey and Richard G. Fecteau, who had been sentenced to life imprisonment and 20 years, respectively.

The First Evidence

The release in December 1971 of Fecteau provided the first clear evidence the two men were actually dead. In a CIA debriefing, Fecteau testified that both Snoddy and Schwartz were killed at the controls of their plane.

In the few weeks since his release earlier this month, Downey is understood to have given a similar report to CIA officials. Both families have been promised a telephone interview with Downey in the near future to put the question beyond doubt at last.

Snoddy and Schwartz were both civilian pilots for Gen. Claire Chennault's Civil Air Transport — the post-war version of his Flying Tiger airline, and almost from the end of World War II the main Far East contract carrier for U.S. intelligence operations.

The company is better known today by its successor title, Air America, Inc. — in popular parlance, the CIA airline, and a key participant in the CIA's secret war in Laos during the 1960s.

China a Target

In the 1950s, however, China was the prime target for intelligence operations. Both pilots had flown in the Far Eastern theater during the war, Snoddy with the Navy and Schwartz with the Marines, and both men apparently signed on with Chennault's CAT in full knowledge that

their missions would be hazardous.

Both families evidently suspected some CIA connection quite early. Snoddy's sister, Mrs. Ruth Boss, also of Cresswell, recently recalled a cryptic remark of her brother's on a trip home shortly before his death: "He told us that if he ever got shot down, we'd never hear about it." The families almost never did, except for the insurance policies both men had taken out as part of their contract with CAT.

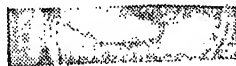
Forged Flight Plan

Authorities also produced a forged flight plan for the mission, detailing a place in Japan as destination and listing two "Department of the Army Civilians" as passengers on the flight: "Downey, J." and "Fecteau, R."

Meanwhile, Standard Insurance Company, a Portland based firm which held two policies on Snoddy's life, began to collect information about his unexplained disappearance. An earlier CAT cover story, that "fire in the electrical system" of the C47 caused "an air explosion . . . completely disintegrating the plane" was reported in local newspapers. In July 1953 CAT's Tokyo office transmitted to Standard the flight plan documents and the letter from Far East Air Force establishing the Dec. 3 cover story.

During the next two years, the Snoddys received a series of insurance payments: \$30,000 on two policies taken out by CAT with American International Underwriters; \$15,000 on the two policies written by Standard Insurance, and a \$10,000 national service policy administered by the Veteran's Administration.

Similar documentation in Schwartz' case is lacking, but a brother, Melvin Schwarz recalled in a telephone interview yesterday in Louisville that payments totaling "about \$25,000" had been received by their parents, who are now deceased.



guided tour of North Vietnam qualifies her to speak with more authority on how POWs were treated than the men themselves?"

Meanwhile, a former prisoner of war called Miss Fonda's new husband, anti-war activist Tom Hayden, "the stupidest, most ignorant and gullible person I ever heard of" for describing ex-POWs as "liars, hypocrites and pawns."

CWO Roy E. Zeigler II, who returned home to Springfield, Ill., two weeks ago after more than five years in North Vietnamese prisons, blasted Hayden in an angry "open letter" in reaction to statements Hayden made Friday in Los Angeles.

Hayden, one of the "Chicago Seven" defendants in the 1968 Democratic convention disorders, said returning prisoners lied about being tortured and called them the "best treated prisoners in any war in history." —UPI

By the time the insurance claims were cleared up, however, the CIA cover stories faithfully developed by CAT and the Air Force were seriously shaken.

Story Exploded

The November 1954 revelation from Peking that Downey and Fecteau were alive and in a Chinese prison exploded the story of the plane lost at sea and substituted the real date for the mission: Nov. 29 instead of Dec. 3.

And it alerted the families to seek word that the two men might still be alive.

Mrs. Irma Hancock of Louisville, a sister of Schwartz, recalls getting in touch with Fecteau's mother shortly before the latter was allowed to visit her son in China in 1958. The visit yielded no information about either Schwartz or Snoddy, however, and Mrs. Fecteau declined to discuss the matter after her return, Mrs. Hancock says.

The Snoddy family made its own inquiries and tried to contact Fecteau after his release in 1971. By a tacit agreement, however, it was decided to keep silent about the whole matter until Downey was released and safely back home.

On March 16, Sen. Mark O. Hatfield and Rep. John Dellenback, both Oregon Republicans, put the Snoddy family's questions on record in a letter to Secretary of State William P. Rogers seeking an official end "to the confusion surrounding this incident."

It now appears the uncertainty over whether the men are still alive can be laid to rest by Downey himself. But at least one of the Hatfield-Dellenback queries may never be answered, in the light of the tortuous record in the case:

"Were they, in fact, serving their country as employees of the U.S. government at the time? If they were, does the government have any legal or moral obligations to the families of these men since they were acting under the direction of government employees?"

Western Hemisphere

THE WASHINGTON POST

Sunday, April 1, 1973

Cubans Debate New Laws

HAVANA — In factories, canefields, offices and building sites, Cubans these days are involved in heated arguments on what the penalty should be for negligence at work, corruption, rape or cattle theft.

The 14-year-old revolutionary government of Fidel Castro created "people's tribunals" several years ago, where the judges, who are representatives of the local populace, deal with petty crimes.

The government has now gone a step further in what it calls democratizing justice and turned every Cuban into a legislator. It recently issued millions of copies of proposed law dealing with crimes as varied as the illegal use of military uniforms and homosexuality.

Cubans were urged to study the texts carefully and to propose amendments if they did not agree with the laws or the proposed penalties.

The drafts were written in simple language so that anyone with a primary education could grasp their meaning. But to make sure that no one would remain puzzled by legal terms, "Granma," the official newspaper of the Cuban Communist Party, published precise definitions of such words as "bigamy," "accessory" and "fraudulent."

Careful Study

The introduction to the drafts urges Cubans not only to study the texts carefully but to "really say what they think." The commission of Juridical Studies, which drafted the laws, said: "We do not want a pro forma approval."

"Discuss the texts, vote in

favor if you think they are right, vote against when you think they are inadequate, and if so, propose amendments," it added.

The Cubans certainly did discuss them. At every local Committee for the Defense of the Revolution, heated arguments took place.

Some of those taking part in the debates argued, for example, that in a socialist society those guilty of corruption while holding important administrative jobs should get heavy penalties, especially in a country like Cuba which is struggling to achieve more social justice.

On the whole, there has been genuine interest in the process. Cuban television a few weeks ago put on a live program in which Cubans could ask questions about any aspect of the proposed texts. The television panel was flooded with calls.

People Misinformed

The program also showed how misinformed most people were about the laws already in force in their country, and indicated that letting everyone have a say in their drafting insures better and wider knowledge.

Baffled viewers wondered, for example, why rape should be punished by the death penalty in some circumstances, but not murder. They were unaware that the death penalty for murder was already in the Cuban penal code.

The media estimated that 3,000 workers had discussed the draft laws at some 38,000 factory meetings throughout the country.

It was also estimated that more than 2 million members of the Committees for Defense of the Revolution also studied the texts at 61,000 provincial, regional and city street-level assemblies during the past few weeks. The population of Cuba is about 8.5 million.

"Granma" said that in the course of these debates committee members proposed thousands of changes in the law drafts.

After being examined by the people, the drafts will be returned to the Commission of Juridical Studies which will amend them as necessary. They are part of a far-reaching projected reform of the whole juridical system and, at a later stage, of the constitution itself.

CHRISTIAN SCIENCE MONITOR
26 March 1973

U.S. warming to Cuba?

*Washington cautious,
but definite an offing*

By James Nelson Goodsell
Latin America correspondent of
The Christian Science Monitor

Miami

Latin America and the United States appear to be moving steadily toward some sort of rapprochement with Cuba.

The signs are many. This past week produced a number, and this coming week may produce more as a Senate subcommittee begins hearings in Washington to reexamine United States policy toward the island.

Those hearings, which opened March 26, come in the wake of these developments:

- o Latin American delegates to the just-concluded United Nations Security Council session in Panama expressed a marked degree of friendliness toward Cuban Foreign Minister Raul Roa Garcia in their formal remarks to the Council and in their informal personal contacts.

- o Peru indicated last week that it would again bring up the question of ending the Organization of American States (OAS) prohibition on diplomatic and trade ties with Cuba when the organization's General Assembly meets in Washington April 4.

- o For his part, Panamanian Foreign Minister Juan Antonio "Tuck" told newsmen last week that his government was on the verge of reestablishing ties with the Cuban Government and the step is expected momentarily in Panama City, perhaps before Cuban Foreign Minister Roa leaves Panama later this week.

- o A majority of people in the United States, by a 51 to 33 percent margin, favor the reestablishment of diplomatic relations with Cuba, according to a poll by Louis Harris released last week, marking a complete turnaround from a former Harris poll.

- o In its first test of the new Cuba-United States antihijacking treaty, the State Department last week ordered the deportation of 2 young Cuban fishermen who admitted hijacking a boat from Cuban waters. The move was immediately criticized by members of the Cuban exile community in Miami who in the past have frequently been able to influence Washington policy on Cuba.

But this time the State Department was adamant. It said that the "spirit" of the new agreement had been broken by the hijacking because "the United States cannot accept that hijackers be granted safe haven in the United States."

All these developments by themselves do not signify any imminent reversal of the 10-year-old hemisphere policy of isolating Cuba. But taken against an already noticeable trend in this direction, these developments tend to heighten the likelihood that some sort of new relationship with Cuba is developing.

For one thing, they probably indicate an acceleration of the movement within the OAS to end that organization's prohibition on

diplomatic ties with the government of Fidel Castro.

The trend has already seen both Chile and Peru unilaterally reject the prohibition and reestablish ties with Cuba, joining Mexico, which never went along with the prohibition in the first place. Moreover, three new English-speaking members of the OAS — Barbados, Jamaica, and Trinidad and Tobago — along with Guyana have established diplomatic relations with Cuba in the last several months.

Conditions stated

At this juncture it appears unlikely that the OAS as a whole will go along with the Peruvian proposal to end sanctions with Cuba at the OAS meeting in Washington. But there is always an outside possibility given the mood in the hemisphere that this could take place.

The United States position is another

matter. Both the Nixon administration and the Castro government in Havana deny that they are interested in renewing ties. Washington says there will be no move in this direction until the Castro government ceases exporting its revolution to Latin America and ends its heavy military dependence upon the Soviet Union.

For its part, Dr. Castro continues to openly profess no interest in ties with Washington. He cites a variety of complaints against the United States ranging from the continued economic blockade of the island to the United States military presence at Guantanamo on Cuban soil.

Still, there are signs on both sides that some sort of rapprochement may be in the offing, if not this year, perhaps within President Nixon's second term.

All of this will be looked at by the Senate Foreign Relations subcommittee on western hemisphere affairs when it opens hearings in Washington this week.

WASHINGTON POST

25 March 1973

Invasion Helps Dominican Leader

By Alan Riding

United Press International

MEXICO CITY — The recent unsuccessful guerrilla invasion of the Dominican Republic has virtually guaranteed President Joaquin Balaguer's re-election next year to a third term in office.

This was the unexpected outcome of a political crisis that began dramatically and ended by demonstrating the rebels' incompetence and bad judgment and Balaguer's political skill.

In just two weeks, the guerrilla leaders were dead and the government had turned against its other enemies: It arrested hundreds of well-known leftists, sent several opposition leaders into hiding, closed down a number of radio stations for broadcasting "provocative news" and surrounded the national university with troops to prevent demonstrations.

The wave of repression increased opposition to Balaguer's planned re-election, but it also shattered any organized attempt to stop the president's bid to continue in office.

Balaguer, a 65-year-old bachelor, is an unpopular president who learned the secret of survival from his former mentor, Gen. Rafael Leonidas Trujillo, dictator of this Caribbean nation from 1930 until his assassination in 1961.

Balaguer served in Trujillo's government, and later was exiled until after the 1965 civil war, which ended with the intervention of U.S. Marines. He was elected president in a vote supervised by the Organization of American States in 1966, and re-elected in 1970, although almost half the electorate abstained.

Relative peace has existed in the Dominican Republic since 1966 despite the threats and challenges Balaguer has had to overcome in order to survive.

The main danger came from the army, which had become accustomed to intervening in politics at will. During his first three years in office Balaguer's tactic was simply to buy the loyalty of key military officers with houses, cars, jobs or "loans," but slowly he weeded out the most powerful and least trustworthy officers while building up the prestige of half a dozen younger generals.

Since 1970 these few commanders have become the president's main pillars of support. However, even they have not been fully trusted and are frequently rotated in key posts to prevent any buildup of personal power.

Early this February came the guerrilla landing 70 miles west of Santo Domingo, an event so convenient

to the government that President Balaguer was accused of inventing the entire episode.

But the dozen or so guerrillas were pathetically real,

and within two weeks their fate was sealed. During that time, Balaguer was able to smash opposition to his re-election and arrest hundreds of other enemies.

CHRISTIAN SCIENCE MONITOR

3 April 1973

Latin Americans likely to attack U.S. anew

By James Nelson Goodsell
Latin America correspondent of
The Christian Science Monitor

Latin America's mounting disenchantment with the United States will get a new airing this week.

The occasion is the opening of the general assembly of the Organization of American States in Washington on Wednesday. Most of the foreign ministers of the hemisphere will attend the 10-day session.

Spearheading the strong, independent Latin-American move at the sessions will be Peru and Chile, which have been voicing increasingly angry comments against the United States in recent months, and particularly against actions and attitudes of the Nixon administration.

Coming within two weeks of the United Nations Security Council meeting in Panama, at which Washington was frequently attacked, the OAS session is expected to add fuel to the growingly evident independence of Latin-American nations with regard to their relations with the United States.

Procedural questions slated

The broad agenda prepared for the meeting

contains little of controversy, however, and much of the session, particularly in its early days, will be devoted to procedural matters regarding the OAS and its activities. Since the general assembly is only two years old — having been conceived in the broad OAS reorganization approved in Buenos Aires in 1967 — there are a number of questions about procedure that will need to be ironed out.

But the important focus of the session, according to hemisphere watchers in Washington and elsewhere in the hemisphere, centers on the Latin-American attitude toward the United States.

Peru plans to use the session to present a trial-balloon proposal on a complete restructuring of the OAS. Gen. Miguel Angel de la Flor, the Peruvian Foreign Minister, is expected to present the proposal when he speaks at the session — and he has indicated he will also call for transfer of the OAS out of Washington to some Latin-American capital.

In addition, Peru, along with other Latin-American nations including Chile and Panama, may initiate a new effort to do away with the 1964 OAS resolution calling on hemisphere nations to break relations with Cuba. Peru previously called on OAS last June to take the step, but the proposal was defeated.

It is thought in hemisphere circles that the Peruvians may well have more support this time around.

Included in the Peruvian plan for restructuring of the OAS is an effort to make it more responsive to the needs of Latin America. For example, the Peruvians argue that the OAS, through such agencies as the INTERoAmerican Development Bank, ought to include facilities to extend credit to hemisphere nations on terms more favorable than those now available.

Although the Peruvian proposals are not specifically on the OAS agenda, they could come up in discussion of a Venezuelan proposal to examine the nature of the OAS and where the hemisphere organization is headed.

Or they could be brought up in connection with an agenda item put forward by OAS Secretary-General Galo Plaza Lasso calling for a broad review of the whole inter-American system.

In either case, the Peruvian initiative is expected to stir a good deal of lively debate and could produce something of a confrontation between United States and its Latin-American neighbors.

U.S. more on defensive

Washington is finding itself increasingly on the defensive in the hemisphere. Evidence of this is mounting. The UN session in Panama, with nation after nation taking sharp issue with United States actions in Latin America, was one example.

Criticism of this sort is not new. But it has an increasingly harsh tone to it. The OAS gathering in Washington probably will provide another example of the trend.

In addition to the possibility of confrontation over the OAS structure and perhaps the Cuba issue also, another agenda item could produce some sparks. This is one presented by Argentina on the issue of the admission of new members to the organization. Argentina, for one, has never been overly pleased with the addition of Barbados, Jamaica, and Trinidad and Tobago to the OAS. It questions whether the OAS ought to accept other small English-speaking Caribbean nations as members when they acquire their full independence.

NEW YORK TIMES

30 March 1973

Brazilian Wife of U.S. Aide

Jailed in Subversion

RIO DE JANEIRO, March 29

(AP)—The Brazilian wife of a United States foreign aid official has been arrested on suspicion of subversion against Brazil's military-controlled government, her lawyer said today.

Wlacyra Maria Wagner was in custody in an army prison, the lawyers said. She is the wife of Edmund G. Wagner, a native of South Dakota who has worked as a financial adviser in Brazil for many years.

Philip F. Wagner, 19, Mr. Wagner's son from a previous marriage and a United States citizen, was also arrested. He was held briefly and released.

The two were implicated in activities of underground leftist anti-Government movements, the lawyer said.

The United States Embassy said that there was not much it could do to assist Mrs. Wagner because she is not a United States citizen.

NEW YORK TIMES, SUNDAY, APRIL 1, 1973

CHILE'S POOR GET MORE MEDICAL AID

But Shortages and Conflict Are Plaguing Services

By JONATHAN KANDELL

Special to The New York Times

SANTIAGO, Chile, March 31

—There has been a dramatic expansion of medical services for the poor under Chile's Marxist Government.

At the same time, medicine has been plagued by shortages and black-market practices that have permeated other aspects of Chilean life, and the tense atmosphere of political polarization has set Marxist and anti-Marxist members of the medical community against each other.

According to the National Health Service, there were three million more medical consultations in 1971—the first year of the present Government—than in 1970.

There were also significant drops in infant mortality (down 11 per cent), fatal diarrhea in children (down 20 per cent), deaths from bronchial pneu-

monia (down 15 per cent) and child malnutrition cases (down 7 per cent).

The expansion in medical services has come without a significant increase in doctors —there is an estimated shortage of 4,800. Rather it has been achieved through emphasis on small community clinics instead of large hospitals, the liberal use of medical students and paramedics, and preventive-medicine campaigns among the poor.

The change is evident in a lower-income Santiago neighborhood such as Nogales, where some 30,000 residents live in depressing mud and brick houses of one or two rooms on dusty lots bisected by a sewage canal.

"The doctors make me feel like a person now," said Alicia Gregua, a house cleaner who had taken her infant son to the local clinic for treatment against recurring diarrhea.

Two years ago, she recalled, the nondescript, one-story clinic was dirtier and the waiting lines were longer.

"The doctors would see us for two minutes and then give me a prescription I couldn't afford," she said. "Now they give me the medicine, and they explain everything carefully. Even the ones with the beards who aren't doctors yet are

just as good."

By drawing on the staff doctors and medical students who would normally be attached to large hospitals, the Nogales clinic has tripled its hours in the last two years. Between 1970 and 1972, pediatric visits alone jumped from 14,000 to 34,000 a year.

"We no longer sit here and wait for the patients to come to us," said Dr. Claudio Weber, who directed the clinic in 1970 but who stepped down to head the pediatric service.

Doctors make random visits to homes in the community to survey hygienic conditions and food supplies. Weekly meetings are held at neighborhood associations to assess the community's health needs.

One meeting led to the collection of a down payment on an ambulance, which was finally donated by the Government last month after residents barricaded themselves in the administrative offices of a municipal hospital.

Although hundreds of small clinics have been built or expanded during the last two years, the situation is considerably bleaker in large hospitals, where there are growing shortages of equipment, money and medicine.

In the hospital attached to

the University of Chile, for example, doctors report that half of the beds in the intensive-care unit are temporarily not in use because there are no bed sheets and no oxygen tents available.